



House of Representatives

File No. 475

General Assembly

February Session, 2000

(Reprint of File No. 2)

Substitute House Bill No. 5102
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 7, 2000

An Act Proposing Comprehensive Campaign Finance Reform For State-Wide Constitutional Offices And General Assembly Offices.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) As used in sections 1 to 4, inclusive, and 6 to 24,
2 inclusive, of this act:

3 (1) "Commission" means the State Elections Enforcement
4 Commission.

5 (2) "Convention" means "convention", as defined in section 9-372 of
6 the general statutes.

7 (3) "Depository account" means the single checking account at the
8 depository institution designated as the depository for the candidate
9 committee's moneys in accordance with the provisions of subsection
10 (a) of section 9-333f of the general statutes.

11 (4) "Fund" means the Citizens' Election Fund established in section 2
12 of this act.

13 (5) "General election campaign" means (A) in the case of a candidate
14 nominated at a primary, the period beginning on the day following the
15 primary and ending on the date the campaign treasurer files the final
16 statement for such campaign pursuant to section 9-333j of the general
17 statutes, or (B) in the case of a candidate nominated without a primary,
18 the period beginning on the day following the day on which the
19 candidate is nominated and ending on the date the campaign treasurer
20 files the final statement for such campaign pursuant to said section 9-
21 333j.

22 (6) "Major party" means "major party", as defined in section 9-372 of
23 the general statutes.

24 (7) "Minor party" means "minor party" as defined in section 9-372 of
25 the general statutes.

26 (8) "Primary campaign" means the period beginning on the day
27 following the close of a convention and ending on the day of a primary
28 held for the purpose of nominating a candidate for an office.

29 (9) "Qualified candidate committee" means a candidate committee
30 (A) established to aid or promote the success of any candidate for
31 nomination or election to a state office and (B) approved by the
32 commission to receive a grant from the Citizens' Election Fund under
33 section 14 of this act.

34 (10) "Eligible petitioning party candidate" means a candidate for
35 election to an office pursuant to part III C of chapter 153 of the general
36 statutes whose nominating petition has been approved by the
37 Secretary of the State pursuant to subsection (c) of section 9-453o of the
38 general statutes.

39 (11) "State office" means the office of Governor, Lieutenant
40 Governor, Attorney General, State Comptroller, State Treasurer or
41 Secretary of the State.

42 Sec. 2. (NEW) There is established, within the General Fund, a

43 separate, nonlapsing account to be known as the "Citizens' Election
44 Fund". The fund may contain any moneys required by law to be
45 deposited in the fund. Investment earnings credited to the assets of the
46 fund shall become part of the assets of the fund. The State Treasurer
47 shall administer the fund. All moneys deposited in the fund shall be
48 used for the purposes of sections 1 to 4, inclusive, and 6 to 24,
49 inclusive, of this act. The State Elections Enforcement Commission may
50 deduct and retain from the moneys in the fund an amount equal to the
51 costs incurred by the commission in administering the provisions of
52 said sections 1, 3, 4, 6 to 24, inclusive, provided said amount shall not
53 exceed two per cent of the moneys deposited in the fund in any fiscal
54 year. Any portion of said two per cent allocation which exceeds said
55 costs incurred by the commission in any fiscal year shall continue to be
56 available for any said costs incurred by the commission in subsequent
57 fiscal years.

58 Sec. 3. (NEW) (a) (1) Any taxpayer filing a return under chapter 229
59 of the general statutes for taxable years commencing on or after
60 January 1, 2000, may contribute all or part of a refund under said
61 chapter 229 to the Citizens' Election Fund established in section 2 of
62 this act, by indicating on the tax return the amount to be contributed to
63 the fund.

64 (2) Any taxpayer filing a return under chapter 229 of the general
65 statutes for taxable years commencing on or after January 1, 2000,
66 whose income tax liability for the taxable year, before applying any
67 credit under section 12-704c of the general statutes, as amended, is five
68 dollars or more, may designate that five dollars of such tax liability
69 shall be paid over to the fund by so indicating on the tax return. In the
70 case of a husband and wife filing a joint return with an income tax
71 liability of ten dollars or more, each spouse may designate that five
72 dollars of such tax liability shall be paid over to the fund by so
73 indicating on the tax return. Any designation made pursuant to this
74 subdivision shall not increase the taxpayer's income tax liability.

75 (3) Any taxpayer filing a return under chapter 229 of the general

76 statutes may contribute an additional amount to the Citizens' Election
77 Fund established in section 2 of this act, by indicating on the tax return
78 the amount to be contributed to the fund. Any contribution made
79 pursuant to this subdivision shall be in addition to the amount of tax
80 reported to be due on such return and shall be paid at the same time as
81 the tax due on such return is paid and in the manner prescribed by the
82 Commissioner of Revenue Services.

83 (b) A contribution or designation made pursuant to this section shall
84 be irrevocable upon the filing of the return. A taxpayer making a
85 contribution or designation pursuant to this subsection shall so
86 indicate on the tax return in a manner provided for by the
87 Commissioner of Revenue Services pursuant to subsection (c) of this
88 section.

89 (c) The Commissioner of Revenue Services shall revise the income
90 tax return form to implement the provisions of subsection (a) of this
91 section. Such form shall include (1) a space on the return in which
92 taxpayers may indicate their intention to make a contribution or
93 designation in accordance with this section, and (2) instructions for
94 payment of any contribution under subdivision (3) of subsection (a) of
95 this section. The commissioner shall include in the instructions
96 accompanying the tax return a description of the purposes for which
97 the Citizens' Election Fund was established.

98 (d) A contribution of all or part of a refund shall be made in the full
99 amount indicated if the refund found due the taxpayer upon the initial
100 processing of the return, and after any deductions required by chapter
101 229 of the general statutes, is greater than or equal to the indicated
102 contribution. If the refund due, as determined upon initial processing,
103 and after any deductions required by said chapter 229, is less than the
104 indicated contribution, the contribution shall be made in the full
105 amount of the refund. The Commissioner of Revenue Services shall
106 subtract the amount of any contribution of all or part of a refund from
107 the amount of the refund initially found due the taxpayer and shall
108 certify (1) the amount of the refund initially found due the taxpayer,

109 (2) the amount of any such contribution, and (3) the amount of the
110 difference to the Secretary of the Office of Policy and Management and
111 the State Treasurer for payment to the taxpayer in accordance with
112 said chapter 229. For the purposes of any subsequent determination of
113 the taxpayer's net tax payment, such contribution shall be considered a
114 part of the refund paid to the taxpayer.

115 (e) The Commissioner of Revenue Services, after notification of and
116 approval by the Secretary of the Office of Policy and Management,
117 may deduct and retain from the moneys collected under subsections
118 (a) to (d), inclusive, of this section an amount equal to the costs of
119 administering this section, but not to exceed four per cent of such
120 moneys collected in any fiscal year. The Commissioner of Revenue
121 Services shall deposit the remaining moneys collected in the Citizens'
122 Election Fund.

123 Sec. 4. (NEW) (a) (1) Any taxpayer filing a return under chapter 208
124 of the general statutes for taxable years commencing on or after
125 January 1, 2000, may contribute all or part of a refund under said
126 chapter 208 to the Citizens' Election Fund established in section 2 of
127 this act, by indicating on the tax return the amount to be contributed to
128 the fund.

129 (2) Any taxpayer filing a return under chapter 208 of the general
130 statutes for taxable years commencing on or after January 1, 2000,
131 whose income tax liability for the taxable year, before applying any
132 credits under chapter 208 of the general statutes, is five dollars or
133 more, may designate that two hundred dollars of such tax liability or,
134 if such tax liability is less than two hundred dollars, the full amount of
135 such tax liability, shall be paid over to the Citizens' Election Fund
136 established in section 2 of this act, by so indicating on the tax return.
137 Any designation made pursuant to this subdivision shall not increase
138 the taxpayer's income tax liability.

139 (3) Any taxpayer filing a return under chapter 208 of the general
140 statutes may contribute an additional amount to the Citizens' Election

141 Fund established in section 2 of this act, by indicating on the tax return
142 the amount to be contributed to the fund. Any contribution made
143 pursuant to this subdivision shall be in addition to the amount of tax
144 reported to be due on such return and shall be paid at the same time as
145 the tax due on such return is paid and in the manner prescribed by the
146 Commissioner of Revenue Services.

147 (b) A contribution or designation made pursuant to this section shall
148 be irrevocable upon the filing of the return. A taxpayer making a
149 contribution or designation pursuant to this subsection shall so
150 indicate on the tax return in a manner provided for by the
151 Commissioner of Revenue Services pursuant to subsection (c) of this
152 section.

153 (c) The Commissioner of Revenue Services shall revise the income
154 tax return form to implement the provisions of subsection (a) of this
155 section. Such form shall include (1) a space on the return in which
156 taxpayers may indicate their intention to make a contribution or
157 designation in accordance with this section, and (2) instructions for
158 payment of any contribution under subdivision (3) of subsection (a) of
159 this section. The commissioner shall include in the instructions
160 accompanying the tax return a description of the purposes for which
161 the Citizens' Election Fund was established.

162 (d) A contribution of all or part of a refund shall be made in the full
163 amount indicated if the refund found due the taxpayer upon the initial
164 processing of the return, and after any deductions required by chapter
165 208 of the general statutes, is greater than or equal to the indicated
166 contribution. If the refund due, as determined upon initial processing
167 and after any deductions required by said chapter 208, is less than the
168 indicated contribution, the contribution shall be made in the full
169 amount of the refund. The Commissioner of Revenue Services shall
170 subtract the amount of any contribution of all or part of a refund from
171 the amount of the refund initially found due the taxpayer and shall
172 certify (1) the amount of the refund initially due the taxpayer, (2) the
173 amount of any such contribution, and (3) the amount of the difference

174 to the Secretary of the Office of Policy and Management and the State
175 Treasurer for payment to the taxpayer in accordance with said chapter
176 208. For the purposes of any subsequent determination of the
177 taxpayer's net tax payment, such contribution shall be considered a
178 part of the refund paid to the taxpayer.

179 (e) The Commissioner of Revenue Services, after notification of and
180 approval by the Secretary of the Office of Policy and Management,
181 may deduct and retain from the moneys collected under subsections
182 (a) to (d), inclusive, of this section an amount equal to the costs of
183 administering this section, but not to exceed four per cent of such
184 moneys collected in any fiscal year. The Commissioner of Revenue
185 Services shall deposit the remaining moneys collected in the Citizens'
186 Election Fund.

187 Sec. 5. Subsection (e) of section 9-333j of the general statutes is
188 repealed and the following is substituted in lieu thereof:

189 (e) (1) Notwithstanding any provisions of this chapter to the
190 contrary, in the event of a surplus the campaign treasurer of a
191 candidate committee or of a political committee, other than a political
192 committee formed for ongoing political activities or an exploratory
193 committee shall distribute or expend such surplus [within] not later
194 than ninety days after a primary which results in the defeat of the
195 candidate, an election or referendum, in the following manner:

196 (A) Such committees may distribute their surplus to a party
197 committee, or a political committee organized for ongoing political
198 activities, return such surplus to all contributors to the committee on a
199 prorated basis of contribution, distribute such surplus to the Citizens'
200 Election Fund established in section 2 of this act or distribute such
201 surplus to any charitable organization which is a tax-exempt
202 organization under Section 501(c)(3) of the Internal Revenue Code of
203 1986, or any subsequent corresponding internal revenue code of the
204 United States, as from time to time amended, provided (i) no candidate
205 committee may distribute such surplus to a committee which has been

206 established to finance future political campaigns of the candidate, and
207 (ii) a candidate committee which received moneys from the Citizens'
208 Election Fund shall distribute such surplus to such fund;

209 (B) Each such political committee established by an organization
210 which received its funds from the organization's treasury shall return
211 its surplus to its sponsoring organization;

212 (C) (i) Each political committee formed solely to aid or promote the
213 success or defeat of any referendum question, which does not receive
214 contributions from a business entity or an organization, shall distribute
215 its surplus to a party committee, to a political committee organized for
216 ongoing political activities, to a national committee of a political party,
217 to all contributors to the committee on a prorated basis of contribution,
218 to state or municipal governments or agencies or to any organization
219 which is a tax-exempt organization under Section 501(c)(3) of the
220 Internal Revenue Code of 1986, or any subsequent corresponding
221 internal revenue code of the United States, as from time to time
222 amended. [, (ii) each] (ii) Each political committee formed solely to aid
223 or promote the success or defeat of any referendum question, which
224 receives contributions from a business entity or an organization, shall
225 distribute its surplus to all contributors to the committee on a prorated
226 basis of contribution, to state or municipal governments or agencies, or
227 to any organization which is tax-exempt under said provisions of the
228 Internal Revenue Code;

229 (D) The campaign treasurer of the candidate committee of a
230 candidate who is elected to office may, upon the authorization of such
231 candidate, expend surplus campaign funds to pay for the cost of
232 clerical, secretarial or other office expenses necessarily incurred by
233 such candidate in preparation for taking office; except such surplus
234 shall not be distributed for the personal benefit of any individual or to
235 any organization; and

236 (E) The campaign treasurer of a candidate committee, or of a
237 political committee, other than a political committee formed for

238 ongoing political activities or an exploratory committee, shall, prior to
239 the dissolution of such committee, either (i) distribute any equipment
240 purchased, including, but not limited to, computer equipment, to any
241 recipient as set forth in subparagraph (A) of this subdivision, or (ii) sell
242 any equipment purchased, including, but not limited to, computer
243 equipment, to any person for fair market value and then distribute the
244 proceeds of such sale to any recipient as set forth in said subparagraph
245 (A).

246 (2) Notwithstanding any provisions of this chapter to the contrary,
247 the campaign treasurer of the candidate committee of a candidate who
248 has withdrawn from a primary or election may, prior to the primary or
249 election, distribute its surplus to any organization which is tax-exempt
250 under Section 501(c)(3) of the Internal Revenue Code of 1986, or any
251 subsequent corresponding internal revenue code of the United States,
252 as from time to time amended, or return such surplus to all
253 contributors to the committee on a prorated basis of contribution.

254 (3) [Within] Not later than seven days after such distribution or
255 [within] not later than seven days after all funds have been expended
256 in accordance with subparagraph (D) of subdivision (1) of this
257 subsection, the campaign treasurer shall file a supplemental statement,
258 sworn under penalty of false statement, with the proper authority,
259 identifying all further contributions received since the previous
260 statement and explaining how any surplus has been distributed or
261 expended in accordance with this section. No surplus may be
262 distributed or expended until after the election, primary or
263 referendum.

264 (4) In the event of a deficit the campaign treasurer shall file a
265 supplemental statement ninety days after the election, primary or
266 referendum with the proper authority and, thereafter, on the seventh
267 day of each month following if on the last day of the previous month
268 there was an increase or decrease in the deficit in excess of five
269 hundred dollars from that reported on the last statement filed. The
270 campaign treasurer shall file such supplemental statements as required

271 until the deficit is eliminated. If any such committee does not have a
272 surplus or a deficit, the statement required to be filed [within] not later
273 than forty-five days following any election or referendum or [within]
274 not later than thirty days following any primary shall be the last
275 required statement.

276 Sec. 6. (NEW) All payments of civil penalties or late fees imposed by
277 the State Elections Enforcement Commission or the Secretary of the
278 State under title 9 of the general statutes, which are received after the
279 effective date of this section, shall be immediately transmitted to the
280 State Treasurer for deposit in the Citizens' Election Fund established in
281 section 2 of this act.

282 Sec. 7. (NEW) Any person, business entity, organization, party
283 committee or political committee, as defined in section 9-333a of the
284 general statutes, as amended, may contribute to the Citizens' Election
285 Fund. Any such contribution shall be made by check or money order.
286 The commission shall immediately transmit all contributions received
287 pursuant to this section to the State Treasurer for deposit in the
288 Citizens' Election Fund.

289 Sec. 8. (NEW) (a) There is established a program of voluntary
290 campaign expenditure limits for major party, minor party and eligible
291 petitioning party candidates for election to state office in 2002. Any
292 such candidate who agrees to limit the amount of expenditures made
293 or incurred by the candidate committee for such candidate for the
294 general election campaign for said election shall be eligible to receive
295 moneys from the Citizens' Election Fund, if a candidate for election to
296 the same office in said year does not agree to said limit and exceeds the
297 limit.

298 (b) The voluntary general election campaign expenditure limits shall
299 be:

300 (1) For candidates for election to the offices of Governor and
301 Lieutenant Governor who are nominated by the same party, a total
302 combined amount of four million dollars; and

303 (2) For a candidate for election to the office of Attorney General,
304 State Comptroller, Secretary of the State or State Treasurer, seven
305 hundred fifty thousand dollars.

306 (c) Each candidate for election to a state office in 2002, shall file an
307 affidavit with the State Elections Enforcement Commission, at the
308 same time that the candidate files either a committee statement under
309 subsection (a) of section 9-333f of the general statutes or a certification
310 under subsection (b) of said section 9-333f. The affidavit shall include a
311 written certification that the candidate either intends to abide by the
312 applicable expenditure limit under subsection (b) of this section or
313 does not intend to abide by said limit. If the candidate does intend to
314 abide by said limit, the affidavit shall also include written certifications
315 that (1) the campaign treasurer of the candidate committee for said
316 candidate shall expend any moneys received from the fund in
317 accordance with the provisions of subsection (g) of section 9-333i of the
318 general statutes, and (2) the candidate shall repay to the fund any such
319 moneys which are not expended in accordance with said subsection
320 (g). A candidate who so certifies the candidate's intent to abide by said
321 limit shall be referred to in this section as a "participating candidate"
322 and a candidate who so certifies the candidate's intent to not abide by
323 said limit shall be referred to in this section as a "nonparticipating
324 candidate". The commission shall prepare a list of the participating
325 candidates and a list of the nonparticipating candidates and shall make
326 such lists available for public inspection.

327 (d) The campaign treasurer of the candidate committee for each
328 candidate for election to state office in 2002, shall file campaign finance
329 statements with the office of the Secretary of the State (1) according to
330 the same schedule as required of a campaign treasurer of a candidate
331 committee under section 9-333j of the general statutes until receiving
332 contributions and receipts totaling seventy-five per cent of the
333 applicable expenditure limit in subsection (b) of this section and (2)
334 then, notwithstanding said schedule in said section 9-333j, on the
335 second Thursday of each month between the beginning of the fourth
336 month preceding the day of the election for said office and the

337 beginning of the sixth week preceding the election and then, on each
338 Thursday until the day of the election. If a campaign treasurer fails to
339 file any such statement (1) within the time required, or (2) with both
340 the Secretary of the State and the commission, said campaign treasurer
341 shall be subject to a civil penalty imposed by the commission, of not
342 more than one thousand dollars for each such failure under
343 subdivision (1) or (2) of this section. Said statements shall be prepared
344 in the same manner as statements required under section 9-333j of the
345 general statutes.

346 (e) (1) The commission shall review all statements filed by campaign
347 treasurers under subsection (d) of this section and all statements filed
348 by said campaign treasurers under said section 9-333j. If the
349 commission determines that (A) the candidate committee for a
350 nonparticipating candidate has made or incurred campaign
351 expenditures for the general election campaign that exceed the
352 applicable expenditure limit under subsection (b) of this section and
353 (B) the candidate committee for one or more participating candidates
354 for the same office has not made or incurred such excess campaign
355 expenditures and has, in the case of a candidate for the office of
356 Governor, received contributions and receipts totaling five hundred
357 thousand dollars, or in the case of a candidate for the office of Attorney
358 General, State Comptroller, Secretary of the State or State Treasurer,
359 received contributions and receipts totaling seventy-five thousand
360 dollars, the commission shall notify the State Comptroller that the
361 candidate committee for each said participating candidate shall be
362 entitled to payment in an amount equaling the amount of the
363 nonparticipating candidate's excess expenditures. Not later than two
364 business days following notification by the commission, the State
365 Comptroller shall draw an order on the State Treasurer for payment of
366 said amount to each said participating candidate.

367 (2) If the commission subsequently determines that said
368 nonparticipating candidate has made additional campaign
369 expenditures for the general election campaign that exceed said limit
370 and the candidate committee for one or more participating candidates

371 for the same office has not made or incurred any excess campaign
372 expenditures, the commission shall notify the State Comptroller that
373 the candidate committee for each said participating candidate shall be
374 entitled to payment in an amount equaling the amount of the
375 nonparticipating candidate's additional excess expenditures. Not later
376 than two business days following notification by the commission, the
377 State Comptroller shall draw an order on the State Treasurer for
378 payment of said amount to each said participating candidate.

379 (f) The following shall not be subject to the expenditure limits under
380 this section: In-kind contributions from party committees for
381 coordinated campaign expenditures, including but not limited to,
382 phone banks and voter lists, which are made available to all party-
383 endorsed candidates whose names appear on a ballot.

384 (g) Upon the receipt of a report under subsection (e) of section 9-
385 333n, as amended by this act, that an independent expenditure has
386 been made or obligated to be made, with the intent to promote the
387 defeat of a participating candidate for (1) the office of Governor who
388 has received contributions and receipts totaling five hundred thousand
389 dollars or (2) the office of Attorney General, State Comptroller,
390 Secretary of the State or State Treasurer who has received
391 contributions and receipts totaling seventy-five thousand dollars, the
392 commission shall immediately notify the State Comptroller that
393 additional money, equal to the amount of the independent
394 expenditure, shall be paid to the candidate committee for said
395 participating candidate. Not later than two business days following
396 notification by the commission, the State Comptroller shall draw an
397 order on the State Treasurer for payment of such amount to said
398 candidate committee from the fund.

399 Sec. 9. (NEW) (a) There is established a program of voluntary
400 campaign expenditure limits for major party, minor party and eligible
401 petitioning party candidates for election to the office of state
402 representative or state senator in 2004, and thereafter. Any such
403 candidate who agrees to limit the amount of expenditures made or

404 incurred by the candidate committee for such candidate for the general
405 election campaign for said election shall be eligible to receive moneys
406 from the Citizens' Election Fund, if a candidate for election to the same
407 office in said year does not agree to said limit and exceeds the limit.

408 (b) The voluntary general election campaign expenditure limits for
409 the election held in 2004, shall be:

410 (1) For a candidate for election to the office of state representative,
411 fifty thousand dollars; and

412 (2) For a candidate for election to the office of state senator, one
413 hundred thirty thousand dollars.

414 (c) The voluntary general election campaign expenditure limits for
415 elections held after 2004, shall be the limits under subsection (b) of this
416 section, adjusted for inflation. On January 15, 2006, and biennially
417 thereafter, the commission shall adjust said expenditure limits in
418 accordance with any change during the preceding two calendar years
419 in the Consumer Price Index for all urban consumers as published by
420 the United States Department of Labor, Bureau of Labor Statistics.

421 (d) Each candidate for election to the office of state representative or
422 state senator in 2004, or thereafter, shall file an affidavit with the State
423 Elections Enforcement Commission, at the same time that the
424 candidate files either a committee statement under subsection (a) of
425 section 9-333f of the general statutes or a certification under subsection
426 (b) of said section 9-333f. The affidavit shall include a written
427 certification that the candidate either intends to abide by the applicable
428 expenditure limit under subsection (b) or (c) of this section or does not
429 intend to abide by said limit. If the candidate does intend to abide by
430 said limit, the affidavit shall also include written certifications that (1)
431 the campaign treasurer of the candidate committee for said candidate
432 shall expend any moneys received from the fund in accordance with
433 the provisions of subsection (g) of section 9-333i of the general statutes,
434 and (2) the candidate shall repay to the fund any such moneys which
435 are not expended in accordance with said subsection (g). A candidate

436 who so certifies the candidate's intent to abide by said limit shall be
437 referred to in this section as a "participating candidate" and a
438 candidate who so certifies the candidate's intent to not abide by said
439 limit shall be referred to in this section as a "nonparticipating
440 candidate". The commission shall prepare a list of the participating
441 candidates and a list of the nonparticipating candidates and shall make
442 such lists available for public inspection.

443 (e) The campaign treasurer of the candidate committee for each
444 candidate for the office of state representative or state senator shall file
445 campaign finance statements with the office of the Secretary of the
446 State (1) according to the same schedule as required of a campaign
447 treasurer of a candidate committee under section 9-333j of the general
448 statutes until receiving contributions and receipts totaling seventy-five
449 per cent of the applicable expenditure limit in subsection (b) or (c) of
450 this section and (2) then, notwithstanding said schedule in said section
451 9-333j, on the second Thursday of each month between the beginning
452 of the fourth month preceding the day of the election for said office
453 and the beginning of the sixth week preceding the election and then on
454 each Thursday until the day of the election. Said statements shall be
455 prepared in the same manner as statements required under section 9-
456 333j of the general statutes.

457 (f) (1) The commission shall review all statements filed by campaign
458 treasurers under subsection (e) of this section and all statements filed
459 by said campaign treasurers under said section 9-333j. If the
460 commission determines that (A) the candidate committee for a
461 nonparticipating candidate has made or incurred campaign
462 expenditures for the general election campaign that exceed the
463 applicable expenditure limit under subsection (b) or (c) of this section
464 and (B) the candidate committee for one or more participating
465 candidates for the same office has not made or incurred such excess
466 campaign expenditures and has received contributions and receipts
467 totaling twenty-five per cent of the applicable expenditure limit in
468 subsection (b) or (c) of this section, the commission shall notify the
469 State Comptroller that the candidate committee for each said

470 participating candidate shall be entitled to payment in an amount
471 equaling the amount of the nonparticipating candidate's excess
472 expenditures. Not later than two business days following notification
473 by the commission, the State Comptroller shall draw an order on the
474 State Treasurer for payment of said amount to each said participating
475 candidate.

476 (2) If the commission subsequently determines that said
477 nonparticipating candidate has made additional campaign
478 expenditures for the general election campaign that exceed said limit
479 and the candidate committee for one or more participating candidates
480 for the same office has not made or incurred any excess campaign
481 expenditures, the commission shall notify the State Comptroller that
482 the candidate committee for each said participating candidate shall be
483 entitled to payment in an amount equaling the amount of the
484 nonparticipating candidate's additional excess expenditures. Not later
485 than two business days following notification by the commission, the
486 State Comptroller shall draw an order on the State Treasurer for
487 payment of said amount to each said participating candidate.

488 (g) The following shall not be subject to the expenditure limits
489 under this section: In-kind contributions from party committees for
490 coordinated campaign expenditures, including but not limited to,
491 phone banks and voter lists, which are made available to all party-
492 endorsed candidates whose names appear on a ballot.

493 (h) Upon the receipt of a report under subsection (e) of section 9-
494 333n of the general statutes, as amended by this act, that an
495 independent expenditure has been made or obligated to be made, with
496 the intent to promote the defeat of a participating candidate who has
497 received contributions and receipts totaling twenty-five per cent of the
498 applicable expenditure limit in subsection (b) or (c) of this section, the
499 commission shall immediately notify the State Comptroller that
500 additional money, equal to the amount of the independent
501 expenditure, shall be paid to the candidate committee for said
502 participating candidate. Not later than two business days following

503 notification by the commission, the State Comptroller shall draw an
504 order on the State Treasurer for payment of such amount to said
505 candidate committee from the fund.

506 Sec. 10. (NEW) (a) There is established a Citizens' Election Program
507 under which (1) the candidate committee of a major party or minor
508 party candidate for nomination to a state office in 2006, or thereafter,
509 may receive a grant from the Citizens' Election Fund for the
510 candidate's primary campaign for said nomination or (2) the candidate
511 committee of a major party, minor party or eligible petitioning party
512 candidate for election to a state office in 2006, or thereafter, may
513 receive a grant from the fund for the candidate's general election
514 campaign for said office. Any such candidate is eligible to receive such
515 grants if (A) the candidate's candidate committee receives the required
516 amount of qualifying contributions set forth in section 11 of this act, (B)
517 the candidate agrees to the primary campaign and general election
518 campaign expenditure limits set forth in section 12 of this act, and (C)
519 the candidate complies with the requirements of section 14 of this act.

520 (b) Each major party and minor party candidate for nomination or
521 election to a state office in 2006, or thereafter, and each petitioning
522 candidate for election to a state office in 2006, or thereafter, shall file an
523 affidavit with the State Elections Enforcement Commission, at the
524 same time that the candidate files either a committee statement under
525 subsection (a) of section 9-333f of the general statutes or a certification
526 under subsection (b) of said section 9-333f. The affidavit shall include a
527 written certification that the candidate either intends to abide by the
528 applicable expenditure limits for a primary campaign and a general
529 election campaign under the Citizens' Election Program, as set forth in
530 section 12 of this act, or does not intend to abide by said limits. A
531 candidate who so certifies the candidate's intent to abide by said limit
532 shall be referred to in sections 10 to 24, inclusive, of this act as a
533 "participating candidate" and a candidate who so certifies the
534 candidate's intent to not abide by said limit shall be referred to in this
535 section as a "nonparticipating candidate". The commission shall
536 prepare a list of the participating candidates and a list of the

537 nonparticipating candidates and shall make such lists available for
538 public inspection.

539 Sec. 11. (NEW) (a) The amount of qualifying contributions which
540 the candidate committee of a candidate needs to receive in order to be
541 eligible for grants from the Citizens' Election Fund shall be:

542 (1) In the case of a candidate for nomination or election to the office
543 of Governor, contributions from individuals in the aggregate amount
544 of five hundred thousand dollars, of which four hundred fifty
545 thousand dollars or more is contributed by individuals residing in the
546 state, provided (A) no such contribution that exceeds five hundred
547 dollars shall be considered in calculating such amounts, and (B) all
548 contributions received by an exploratory committee that meets such
549 criteria shall be considered in calculating such amounts; and

550 (2) In the case of a candidate for nomination or election to the office
551 of Lieutenant Governor, Attorney General, State Comptroller, State
552 Treasurer or Secretary of the State, contributions from individuals in
553 the aggregate amount of seventy-five thousand dollars, of which sixty-
554 seven thousand five hundred dollars or more is contributed by
555 individuals residing in the state, provided (A) no such contribution
556 that exceeds two hundred fifty dollars shall be considered in
557 calculating such amounts, and (B) all contributions received by an
558 exploratory committee that meets such criteria shall be considered in
559 calculating such amounts.

560 (b) Each individual who makes a contribution to a candidate
561 committee established to aid or promote the success of a participating
562 candidate for nomination or election to a state office shall include the
563 individual's name and address with the contribution. A contribution
564 from an individual that does not include such information shall not be
565 deemed to be a qualifying contribution under subsection (a) of this
566 section.

567 Sec. 12. (NEW) (a) The following are the expenditure limits under
568 the Citizens' Election Program for a primary campaign for qualifying

569 candidates for nomination to the office of Governor in 2006, and
570 thereafter, subject to adjustment under subsection (e) of this section:

571 (1) For a candidate who receives the endorsement of the candidate's
572 party at the state convention, one million five hundred thousand
573 dollars;

574 (2) For a nonendorsed candidate who receives fifteen per cent of the
575 votes of the convention delegates of the candidate's party who are
576 present and voting on any roll-call vote taken on the endorsement or
577 proposed endorsement of a candidate for said office at a convention
578 where the party endorses a candidate for said office, five hundred
579 thousand dollars;

580 (3) For a nonendorsed candidate who receives more than fifteen per
581 cent of the votes of the convention delegates of the candidate's party
582 who are present and voting on any roll-call vote taken on the
583 endorsement or proposed endorsement of a candidate for said office at
584 a convention where the party endorses a candidate for said office, the
585 sum of five hundred thousand dollars and twenty-eight thousand five
586 hundred dollars for each per cent of the vote of said convention
587 delegates that the candidate receives on said roll call in excess of
588 fifteen per cent; and

589 (4) For a nonendorsed candidate who receives fifteen per cent or
590 more of the votes of the convention delegates of the candidate's party
591 who are present and voting on any roll-call vote taken on the
592 endorsement or proposed endorsement of a candidate for said office at
593 a convention where the party does not endorse a candidate for said
594 office, five hundred thousand dollars.

595 (b) The expenditure limit under the Citizens' Election Program in
596 2006, and thereafter, for a general election campaign for qualifying
597 candidates for election to the office of Governor and Lieutenant
598 Governor who are nominated by the same party shall be a total
599 combined amount of four million dollars, subject to adjustment under
600 subsection (e) of this section.

601 (c) The following are the expenditure limits under the Citizens'
602 Election Program for a primary campaign for qualifying candidates for
603 nomination to the office of Lieutenant Governor, Attorney General,
604 State Comptroller, Secretary of the State or State Treasurer in 2006, and
605 thereafter, subject to adjustment under subsection (e) of this section:

606 (1) For a candidate who receives the endorsement of the candidate's
607 party at the state convention, five hundred thousand dollars;

608 (2) For a nonendorsed candidate who receives fifteen per cent of the
609 votes of the convention delegates of the candidate's party who are
610 present and voting on any roll-call vote taken on the endorsement or
611 proposed endorsement of a candidate for said office at a convention
612 where the party endorses a candidate for said office, one hundred fifty
613 thousand dollars;

614 (3) For a nonendorsed candidate who receives more than fifteen per
615 cent of the votes of the convention delegates of the candidate's party
616 who are present and voting on any roll-call vote taken on the
617 endorsement or proposed endorsement of a candidate for said office at
618 a convention where the party endorses a candidate for said office, the
619 sum of one hundred fifty thousand dollars and ten thousand dollars
620 for each per cent of the vote of said convention delegates that the
621 candidate receives on said roll call in excess of fifteen per cent; and

622 (4) For a nonendorsed candidate who receives fifteen per cent or
623 more of the votes of the convention delegates of the candidate's party
624 who are present and voting on any roll-call vote taken on the
625 endorsement or proposed endorsement of a candidate for said office at
626 a convention where the party does not endorse a candidate for said
627 office, one hundred fifty thousand dollars.

628 (d) The expenditure limit under the Citizens' Election Program for a
629 general election campaign for qualifying candidates for election to the
630 office of Attorney General, State Comptroller, Secretary of the State or
631 State Treasurer in 2006, and thereafter, shall be seven hundred fifty
632 thousand dollars, subject to adjustment under subsection (e) of this

633 section.

634 (e) On January 15, 2006, and quadrennially thereafter, the
635 commission shall adjust the expenditure limits in subsections (a) to (d),
636 inclusive, of this section in accordance with any change during the
637 preceding four calendar years in the Consumer Price Index for all
638 urban consumers as published by the United States Department of
639 Labor, Bureau of Labor Statistics.

640 (f) The following shall not be subject to the expenditure limits under
641 this section: In-kind contributions from party committees for
642 coordinated campaign expenditures, including but not limited to,
643 phone banks and voter lists, which are made available to all party-
644 endorsed candidates whose names appear on a ballot.

645 Sec. 13. (NEW) (a) A candidate for state office who receives the
646 qualifying amount of contributions under section 11 of this act shall be
647 eligible to receive grants under the Citizens' Election Program for a
648 primary campaign and a general election campaign in the amount of
649 the applicable expenditure limits for such campaigns for said office set
650 forth in section 12 of this act. The amount of any said grant to a
651 candidate for a campaign shall be reduced by the amount of
652 expenditures that the candidate has made or incurred before the
653 candidate submits the application for said grant, except for
654 expenditures for research that has been conducted or office equipment
655 or furnishings.

656 (b) No grant under the Citizens' Election Program may be applied to
657 a deficit incurred by a candidate committee.

658 (c) The campaign treasurer of a candidate committee for a candidate
659 for state office who receives a grant under the Citizens' Election
660 Program shall distribute all unspent candidate committee funds from
661 other sources to the Citizens' Election Fund.

662 Sec. 14. (NEW) (a) A candidate for nomination or election to a state
663 office in 2006, or thereafter, may apply to the State Elections

664 Enforcement Commission for a grant from the fund under the Citizens'
665 Election Program for (1) a primary campaign, after the close of the
666 state convention of the candidate's party that is called for the purpose
667 of choosing candidates for nomination for the office that the candidate
668 is seeking, if said party endorses the candidate for the office that the
669 candidate is seeking or the candidate receives at least fifteen per cent
670 of the votes of the convention delegates present and voting on any roll-
671 call vote taken on the endorsement or proposed endorsement of a
672 candidate for the office the candidate is seeking; or (2) a general
673 election campaign, (A) after the close of the state convention of the
674 candidate's party that is called for the purpose of choosing candidates
675 for nomination for the office that the candidate is seeking, if (i) said
676 party endorses said candidate for the office that the candidate is
677 seeking and no other candidate of said party either receives at least
678 fifteen per cent of the votes of the convention delegates present and
679 voting on any roll-call vote taken on the endorsement or proposed
680 endorsement of a candidate for said office or files a certificate of
681 candidacy with the Secretary of the State in accordance with the
682 provisions of section 9-400 of the general statutes, or (ii) the candidate
683 receives at least fifteen per cent of the votes of the convention delegates
684 present and voting on any roll-call vote taken on the endorsement or
685 proposed endorsement of a candidate for the office the candidate is
686 seeking and no other candidate for such office at such convention
687 either receives the party endorsement or said percentage of said votes
688 for said endorsement or files a certificate of endorsement with the
689 Secretary of the State in accordance with the provisions of section 9-388
690 of the general statutes or a certificate of candidacy with the Secretary
691 of the State in accordance with the provisions of section 9-400 of the
692 general statutes, (B) after any primary held by such party for
693 nomination for such office, if the Secretary of the State declares that the
694 candidate is the party nominee in accordance with the provisions of
695 section 9-440 of the general statutes, or (C) in the case of a petitioning
696 party candidate, after approval by the Secretary of the State of such
697 candidate's nominating petition pursuant to subsection (c) of section 9-
698 453o of the general statutes.

699 (b) The application shall include a written certification that:

700 (1) The candidate committee has received the required amount of
701 qualifying contributions;

702 (2) The candidate committee has repaid all moneys borrowed on
703 behalf of the campaign, as required by subsection (b) of section 16 of
704 this act;

705 (3) The candidate committee has returned any contribution from an
706 individual who does not include the individual's name and address
707 with the contribution;

708 (4) The campaign treasurer of the candidate committee shall comply
709 with the provisions of sections 1 and 10 to 24, inclusive, of this act;

710 (5) All moneys received from the fund shall be deposited upon
711 receipt into the depository account of the candidate committee;

712 (6) The campaign treasurer of the candidate committee shall expend
713 all moneys received from the fund in accordance with the provisions of
714 subsection (g) of section 9-333i of the general statutes; and

715 (7) If the candidate withdraws from the campaign, becomes
716 ineligible or dies during the campaign, the candidate committee of the
717 candidate shall return to the commission, for deposit in the fund, all
718 moneys received from the fund pursuant to sections 1 and 10 to 24,
719 inclusive, of this act which said candidate committee has not spent as
720 of the date of such occurrence.

721 (c) The application shall be accompanied by a cumulative itemized
722 accounting of all funds received, expenditures made and expenses
723 incurred but not yet paid by the candidate committee as of three days
724 before the date that the application is signed. Such accounting shall be
725 sworn to under penalty of false statement by the campaign treasurer of
726 the candidate committee. The commission shall prescribe the form of
727 the application and the cumulative itemized accounting, after
728 consulting with the Secretary of the State. The form for such

729 accounting shall conform to the requirements of section 9-333j of the
730 general statutes. Both the candidate and the campaign treasurer of the
731 candidate committee shall sign the application.

732 (d) Not later than three business days following receipt of any such
733 application, the commission shall review the application, determine
734 whether the candidate committee for the applicant (1) has received the
735 required qualifying contributions, and (2) in the case of an application
736 for a grant from the fund for a primary campaign or a general election
737 campaign, the applicant has met the applicable condition under
738 subsection (a) of this section for applying for such moneys and, if so,
739 determine the amount of the grant payable to the candidate committee
740 from the fund and notify the State Comptroller and the candidate of
741 such candidate committee, of such amount. Not later than two
742 business days following notification by the commission, the State
743 Comptroller shall draw an order on the State Treasurer for payment of
744 such amount to the qualified candidate committee from the fund.

745 Sec. 15. (NEW) Following the initial deposit of moneys from the
746 fund into the depository account of a qualified candidate committee,
747 no contribution, loan, amount of the candidate's own moneys or any
748 other moneys received by the candidate or the campaign treasurer on
749 behalf of the committee shall be deposited into said depository
750 account, except (1) grants from the fund, and (2) any additional
751 moneys from the fund as provided in sections 20 and 21 of this act.

752 Sec. 16. (NEW) A qualified candidate committee which received
753 moneys from the fund for a primary campaign and whose candidate is
754 the party nominee shall receive moneys from the fund for a general
755 election campaign. Upon receiving verification from the Secretary of
756 the State of the declaration by the Secretary of the State in accordance
757 with the provisions of section 9-440 of the general statutes, of the
758 results of the votes cast at the primary, the commission shall notify the
759 State Comptroller of the amount payable to such qualified candidate
760 committee. Not later than two business days following notification by
761 the commission, the State Comptroller shall draw an order on the State

762 Treasurer for payment of the general election campaign grant to said
763 committee from said fund.

764 Sec. 17. (NEW) (a) For purposes of this section, expenditures made
765 to aid or promote the success of both a candidate for nomination or
766 election to the office of Governor and a candidate for nomination or
767 election to the office of Lieutenant Governor jointly, shall be
768 considered expenditures made to aid or promote the success of a
769 candidate for nomination or election to the office of Governor. The
770 party-endorsed candidate for nomination or election to the office of
771 Lieutenant Governor and the party-endorsed candidate for nomination
772 or election to the office of Governor shall be deemed to be aiding or
773 promoting the success of both candidates jointly upon the earliest of
774 the following: (1) The primary, whether held for the office of Governor,
775 the office of Lieutenant Governor, or both; (2) if no primary is held for
776 the office of Governor or Lieutenant Governor, the convention; or (3) a
777 declaration by the party-endorsed candidates that they shall campaign
778 jointly. Any other candidate for nomination or election to the office of
779 Lieutenant Governor shall be deemed to be aiding or promoting the
780 success of such candidacy for the office of Lieutenant Governor and
781 the success of a candidate for nomination or election to the office of
782 Governor jointly upon a declaration by the candidates that they shall
783 campaign jointly.

784 (b) The candidate committee formed to aid or promote the success
785 of a candidate for nomination or election to the office of Lieutenant
786 Governor, the candidate of which campaigns jointly with a candidate
787 for nomination or election to the office of Governor, shall be dissolved
788 as of the applicable date set forth in subsection (a) of this section. Not
789 later than fifteen days after the applicable date set forth in subsection
790 (a) of this section, the campaign treasurer of the candidate committee
791 formed to aid or promote the success of said candidate for nomination
792 or election to the office of Lieutenant Governor shall file a statement
793 with the proper authority under section 9-333e of the general statutes,
794 as amended by this act, identifying all contributions received or
795 expenditures made by the committee since the previous statement and

796 the balance on hand or deficit, as the case may be. Not later than thirty
797 days after the applicable date set forth in subsection (a) of this section,
798 (1) the campaign treasurer of a qualified candidate committee formed
799 to aid or promote the success of said candidate for nomination or
800 election to the office of Lieutenant Governor shall distribute any
801 surplus to the fund, and (2) the campaign treasurer of a nonqualified
802 candidate committee formed to aid or promote the success of said
803 candidate for nomination or election to the office of Lieutenant
804 Governor shall distribute such surplus in accordance with the
805 provisions of subsection (e) of section 9-333j of the general statutes, as
806 amended by this act.

807 Sec. 18. (NEW) (a) A qualified candidate committee may borrow
808 moneys on behalf of a campaign for a primary or a general election
809 from one or more financial institutions, as defined in section 36a-41 of
810 the general statutes, in an aggregate amount not to exceed one
811 thousand dollars. The amount borrowed shall not constitute a
812 qualifying contribution. No individual, political committee or party
813 committee, except the candidate or, in a general election, the state
814 central committee of a political party, shall endorse or guarantee such
815 a loan in an aggregate amount in excess of five hundred dollars. An
816 endorsement or guarantee of such a loan shall constitute a contribution
817 by such individual or committee for so long as the loan is outstanding.
818 The amount endorsed or guaranteed by such individual or committee
819 shall cease to constitute a contribution upon repayment of the amount
820 endorsed or guaranteed.

821 (b) All such loans shall be repaid in full prior to the date a candidate
822 committee applies for the moneys from the fund pursuant to section 12
823 of this act. The candidate shall certify to the commission that such
824 loans were repaid. A candidate who fails to repay such loans or fails to
825 certify such repayment to the commission shall not be eligible to
826 receive and shall not receive moneys from the fund.

827 Sec. 19. (NEW) (a) A qualified candidate committee which receives a
828 grant from the fund pursuant to section 14 of this act and makes

829 expenditures in excess of an expenditure limit set forth in section 12 of
830 this act (1) shall repay to the fund the full amount of such grant, (2)
831 shall not receive any additional moneys from the fund for the
832 remainder of the election cycle, (3) shall be subject to civil penalties
833 under section 9-7b of the general statutes, as amended by this act, and
834 (4) shall be deemed to be a nonparticipating candidate for the purposes
835 of sections 10 to 24, inclusive, of this act.

836 (b) A candidate whose candidate committee fails to return any
837 surplus grant funds to the fund within ninety days after a primary or
838 an election, whichever is applicable shall be subject to the penalties for
839 larceny under sections 53a-122 to 53a-125b, inclusive, of the general
840 statutes depending on the amount involved.

841 Sec. 20. (NEW) (a) Additional moneys from the fund shall be paid to
842 a qualified candidate committee which received moneys from the fund
843 if the committee of an opposing candidate makes expenditures in
844 excess of an expenditure limit set forth in section 12 of this act. Such
845 additional moneys from the fund shall be paid to a qualified candidate
846 committee which received moneys from the fund (1) regardless of
847 whether the candidate committee which makes expenditures in excess
848 of the applicable expenditure limit has received moneys from the fund,
849 (2) in an amount equal to the greatest amount of expenditures in excess
850 of the applicable expenditure limit which the committee of an
851 opposing candidate has made expenditures, and (3) immediately
852 following the commission's verification that the committee of an
853 opposing candidate has made expenditures in excess of the applicable
854 expenditure limit.

855 (b) If a nonparticipating candidate makes or incurs the obligation to
856 make an excess expenditure more than twenty days before the day of a
857 primary or election, the candidate shall file a declaration of excess
858 expenditures not later than forty-eight hours after making or incurring
859 the expenditure. If a nonparticipating candidate makes or incurs the
860 obligation to make an excess expenditure twenty days or less before
861 the day of a primary or election, the candidate shall file a declaration of

862 excess expenditures not later than twenty-four hours after making or
863 incurring the expenditure. The commission may determine whether
864 any expenditure by a nonparticipating candidate shall be deemed an
865 excess expenditure.

866 Sec. 21. (NEW) Upon the receipt of a report under subsection (e) of
867 section 9-333n of the general statutes, as amended by this act, that an
868 independent expenditure has been made or obligated to be made, with
869 the intent to promote the defeat of a candidate whose candidate
870 committee has received a grant under the Citizens' Election Program,
871 the commission shall immediately notify the State Comptroller that
872 additional money, equal to the amount of the independent
873 expenditure, shall be paid to said candidate committee. Not later than
874 two business days following notification by the commission, the State
875 Comptroller shall draw an order on the State Treasurer for payment of
876 such amount to said candidate committee from the fund.

877 Sec. 22. (NEW) The campaign treasurer for each candidate for
878 election to state office in 2006, or thereafter shall file campaign finance
879 statements with the office of the Secretary of the State (1) according to
880 the same schedules as required of a campaign treasurer of a candidate
881 committee under section 9-333j of the general statutes until receiving
882 contributions, receipts and grants totaling seventy-five per cent of the
883 applicable expenditure limit for a general election campaign, as set
884 forth in section 12 of this act and (2) then, notwithstanding said
885 schedule in said section 9-333j, on the second Thursday of each month
886 between the beginning of the fourth month preceding the day of the
887 election for said office and the beginning of the sixth week preceding
888 the election and then on each Thursday until the day of the election.
889 Said statements shall be prepared in the same manner as statements
890 required under section 9-333j of the general statutes. If a campaign
891 treasurer fails to file any statement required by this section (1) within
892 the time required, or (2) with both the Secretary of the State and the
893 commission, such campaign treasurer shall be subject to a civil penalty
894 imposed by the commission, of not more than one thousand dollars for
895 each such failure under subdivision (1) or (2) of this section.

896 Sec. 23. (NEW) The Secretary of the State shall provide to each
897 committee whose candidate has filed an affidavit under subsection (b)
898 of section 10 of this act certifying that the candidate intends to abide by
899 the applicable expenditure limits under the Citizens' Election Program,
900 a copy of the centralized computer list of registered voters in the state
901 established pursuant to the plan authorized under section 1 of special
902 act 91-45. The Secretary shall provide the copy in electronic format,
903 free of charge.

904 Sec. 24. (NEW) (a) Not later than June 1, 2001, and annually
905 thereafter, the State Elections Enforcement Commission shall issue a
906 report on the status of the Citizens' Election Fund during the previous
907 calendar year. Such report shall include the amount of moneys
908 deposited in the fund, the sources of moneys received by category, the
909 number of contributions, the number of contributors, the amount of
910 moneys expended by category, the recipients of moneys distributed
911 from the fund and an accounting of the costs incurred by the
912 commission in administering the provisions of sections 1 to 4,
913 inclusive, 6 to 24, inclusive, of this act. Not later than May 15, 2001, and
914 annually thereafter, the Commissioner of Revenue Services shall
915 submit to the commission the information in the possession of the
916 commissioner which the commission needs to complete such report.

917 (b) Not later than January first in any year in which an election for
918 state offices is to be held, the commission shall determine whether the
919 amount of moneys in the fund is sufficient to carry out the purposes of
920 sections 1 to 4, inclusive, and 8 to 23, inclusive, of this act. If the
921 commission determines that such amount is not sufficient to carry out
922 such purposes, the commission shall, not later than three days after
923 such later determination, (1) determine the percentage of the fund's
924 obligations that can be met for such election, (2) recalculate the amount
925 of each payment that a qualified candidate committee is entitled to
926 receive under sections 8, 9 or 14 of this act by multiplying such
927 percentage by the amount that the committee would have been
928 entitled to receive under sections 8, 9 or 14 of this act if there were a
929 sufficient amount of moneys in the fund, and (3) notify each applicant

930 for moneys from the fund of such insufficiency, percentage and
931 applicable recalculation. After a qualified candidate committee first
932 receives any such recalculated payment, the committee may resume
933 accepting contributions and making expenditures from such
934 contributions, provided no qualified candidate committee which
935 receives such recalculated payments from the fund shall accept
936 contributions in excess of the amount of moneys which the committee
937 was entitled to receive from the fund but did not receive from the
938 fund. The commission shall also issue a report on said determination.

939 (c) The commission shall establish a reserve account in the fund. The
940 first twenty-five thousand dollars deposited in the fund during any
941 year shall be placed in said account. The commission shall use moneys
942 in the reserve account only during the seven days preceding an
943 election for payments to candidates (1) whose payments were reduced
944 under subsection (b) of this section, or (2) who are entitled to funding
945 to match, during said seven-day period, independent expenditures
946 pursuant to section 21 of this act.

947 Sec. 25. Section 9-333a of the general statutes, as amended by section
948 1 of public act 99-12, is repealed and the following is substituted in lieu
949 thereof:

950 As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
951 inclusive, and 36 of this act:

952 (1) "Committee" means a party committee, political committee or a
953 candidate committee organized, as the case may be, for a single
954 primary, election or referendum, or for ongoing political activities, to
955 aid or promote the success or defeat of any political party, any one or
956 more candidates for public office or the position of convention
957 delegate or town committee member or any referendum question.

958 (2) "Party committee" means a state central committee or a town
959 committee. "Party committee" does not mean a party-affiliated or
960 district, ward or borough committee which receives all of its funds
961 from the state central committee of its party or from a single town

962 committee with the same party affiliation. Any such committee so
963 funded shall be construed to be a part of its state central or town
964 committee for purposes of this chapter and sections 1 to 4, inclusive, 6
965 to 24, inclusive, and 36 of this act.

966 (3) "Political committee" means (A) a committee organized by a
967 business entity or organization, (B) persons other than individuals, or
968 two or more individuals organized or acting jointly conducting their
969 activities in or outside the state, (C) a committee established by a
970 candidate to determine the particular public office to which [he] such
971 candidate shall seek nomination or election, and referred to in this
972 chapter as an exploratory committee, or (D) a committee established by
973 or on behalf of a slate of candidates in a primary for the position of
974 convention delegate, but does not mean a candidate committee or a
975 party committee.

976 (4) "Candidate committee" means any committee designated by a
977 single candidate, or established with the consent, authorization or
978 cooperation of a candidate, for the purpose of a single primary or
979 election and to aid or promote [his] such candidate's candidacy alone
980 for a particular public office or the position of town committee
981 member, but does not mean a political committee or a party
982 committee.

983 (5) "National committee" means the organization which according to
984 the bylaws of a political party is responsible for the day-to-day
985 operation of the party at the national level.

986 (6) "Organization" means all labor organizations, (A) as defined in
987 the Labor-Management Reporting and Disclosure Act of 1959, as from
988 time to time amended, or (B) as defined in subdivision (9) of section
989 31-101, employee organizations as defined in subsection (d) of section
990 5-270 and subdivision (6) of section 7-467, bargaining representative
991 organizations for teachers, any local, state or national organization, to
992 which a labor organization pays membership or per capita fees, based
993 upon its affiliation or membership, and trade or professional

994 associations which receive their funds exclusively from membership
995 dues, whether organized in or outside of this state, but does not mean
996 a candidate committee, party committee or a political committee.

997 (7) "Business entity" means the following, whether organized in or
998 outside of this state: Stock corporations, banks, insurance companies,
999 business associations, bankers associations, insurance associations,
1000 trade or professional associations which receive funds from
1001 membership dues and other sources, partnerships, joint ventures,
1002 private foundations, as defined in Section 509 of the Internal Revenue
1003 Code of 1986, or any subsequent corresponding internal revenue code
1004 of the United States, as from time to time amended; trusts or estates;
1005 corporations organized under sections 38a-175 to 38a-192, inclusive,
1006 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive, and
1007 chapters 594 to 597, inclusive; cooperatives, and any other association,
1008 organization or entity which is engaged in the operation of a business
1009 or profit-making activity; but does not include professional service
1010 corporations organized under chapter 594a and owned by a single
1011 individual, nonstock corporations which are not engaged in business
1012 or profit-making activity, organizations, as defined in subdivision (6)
1013 of this section, candidate committees, party committees and political
1014 committees as defined in this section. For purposes of this chapter,
1015 corporations which are component members of a controlled group of
1016 corporations, as those terms are defined in Section 1563 of the Internal
1017 Revenue Code of 1986, or any subsequent corresponding internal
1018 revenue code of the United States, as from time to time amended, shall
1019 be deemed to be one corporation.

1020 (8) "Individual" means a human being, a sole proprietorship, or a
1021 professional service corporation organized under chapter 594a and
1022 owned by a single human being.

1023 (9) "Person" means an individual, committee, firm, partnership,
1024 organization, association, syndicate, company trust, corporation,
1025 limited liability company or any other legal entity of any kind but does
1026 not mean the state or any political or administrative subdivision of the

1027 state.

1028 (10) "Candidate" means an individual who seeks nomination for
1029 election or election to public office whether or not such individual is
1030 elected, and for the purposes of this chapter and sections 1 to 4,
1031 inclusive, 6 to 24, inclusive, and 36 of this act an individual shall be
1032 deemed to seek nomination for election or election if [he] such
1033 individual has (A) been endorsed by a party or become eligible for a
1034 position on the ballot at an election or primary, or (B) solicited or
1035 received contributions or made expenditures or given [his] such
1036 individual's consent to any other person to solicit or receive
1037 contributions or make expenditures with the intent to bring about [his]
1038 such individual's nomination for election or election to any such office.
1039 "Candidate" also means a slate of candidates which is to appear on the
1040 ballot in a primary for the position of convention delegate. For the
1041 purposes of sections 9-333 to 9-333l, inclusive, as amended by this act,
1042 and section 9-333w, "candidate" also means an individual who is a
1043 candidate in a primary for town committee members.

1044 (11) "Campaign treasurer" means the individual appointed by a
1045 candidate or by the [chairman] chairperson of a party committee or a
1046 political committee to receive and disburse funds on behalf of the
1047 candidate or committee.

1048 (12) "Deputy campaign treasurer" means the individual appointed
1049 by the candidate or by the [chairman] chairperson of a committee to
1050 serve in the capacity of the campaign treasurer if the campaign
1051 treasurer is unable to perform [his] the campaign treasurer's duties.

1052 (13) "Solicitor" means an individual appointed by a campaign
1053 treasurer of a committee to receive, but not to disburse, funds on
1054 behalf of the committee.

1055 (14) "Referendum question" means a question to be voted upon at
1056 any election or referendum, including a proposed constitutional
1057 amendment.

1058 (15) "Lobbyist" means a lobbyist as defined in subsection (l) of
1059 section 1-91.

1060 (16) "Business with which he is associated" means any business in
1061 which the contributor is a director, officer, owner, limited or general
1062 partner or holder of stock constituting five per cent or more of the total
1063 outstanding stock of any class. Officer refers only to the president,
1064 executive or senior vice-president or treasurer of such business.

1065 (17) "Independent expenditure" means an expenditure that is made
1066 without the consent, knowing participation, or consultation of, a
1067 candidate or agent of the candidate committee. "Independent
1068 expenditure" does not include an expenditure (A) if there is any
1069 coordination or direction with respect to the expenditure between the
1070 candidate or the treasurer, deputy treasurer or [chairman] chairperson
1071 of [his] such candidate committee and the person making the
1072 expenditure, or (B) if, during the same election cycle, the individual
1073 making the expenditure serves or has served as the treasurer, deputy
1074 treasurer or [chairman] chairperson of the candidate committee.

1075 (18) "Federal account" means a depository account that is subject to
1076 the disclosure and contribution limits provided under the Federal
1077 Election Campaign Act of 1971, as amended from time to time.

1078 (19) "Public funds" means funds belonging to, or under the control
1079 of, the state or a political subdivision of the state.

1080 Sec. 26. Section 9-333b of the general statutes, as amended by public
1081 act 99-264, is repealed and the following is substituted in lieu thereof:

1082 (a) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1083 inclusive, and 36 of this act, "contribution" means:

1084 (1) Any gift, subscription, loan, advance, payment or deposit of
1085 money or anything of value, made for the purpose of influencing the
1086 nomination for election, or election, of any person or for the purpose of
1087 aiding or promoting the success or defeat of any referendum question

1088 or on behalf of any political party;

1089 (2) A written contract, promise or agreement to make a contribution
1090 for any such purpose;

1091 (3) The payment by any person, other than a candidate or campaign
1092 treasurer, of compensation for the personal services of any other
1093 person which are rendered without charge to a committee or candidate
1094 for any such purpose;

1095 (4) An expenditure when made by a person with the cooperation of,
1096 or in consultation with, any candidate, candidate committee or
1097 candidate's agent or which is made in concert with, or at the request or
1098 suggestion of, any candidate, candidate committee or candidate's
1099 agent; or

1100 (5) Funds received by a committee which are transferred from
1101 another committee or other source for any such purpose.

1102 (b) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1103 inclusive, and 36 of this act, "contribution" does not mean:

1104 (1) A loan of money made in the ordinary course of business by a
1105 national or state bank;

1106 (2) Any communication made by a corporation, organization or
1107 association to its members, owners, stockholders, executive or
1108 administrative personnel, or their families;

1109 (3) Nonpartisan voter registration and get-out-the-vote campaigns
1110 by any corporation, organization or association aimed at its members,
1111 owners, stockholders, executive or administrative personnel, or their
1112 families;

1113 (4) Uncompensated services provided by individuals volunteering
1114 their time;

1115 (5) The use of real or personal property, and the cost of invitations,

1116 food or beverages, voluntarily provided by an individual to a
1117 candidate or on behalf of a state central or town committee, in
1118 rendering voluntary personal services for candidate or party-related
1119 activities at the individual's residence, to the extent that the cumulative
1120 value of the invitations, food or beverages provided by the individual
1121 on behalf of any single candidate does not exceed two hundred dollars
1122 with respect to any single election, and on behalf of all state central
1123 and town committees does not exceed four hundred dollars in any
1124 calendar year;

1125 (6) The sale of food or beverage for use in a candidate's campaign or
1126 for use by a state central or town committee at a discount, if the charge
1127 is not less than the cost to the vendor, to the extent that the cumulative
1128 value of the discount given to or on behalf of any single candidate does
1129 not exceed two hundred dollars with respect to any single election,
1130 and on behalf of all state central and town committees does not exceed
1131 four hundred dollars in a calendar year;

1132 (7) Any unreimbursed payment for travel expenses made by an
1133 individual who on [his] said individual's own behalf volunteers [his]
1134 said individual's personal services to any single candidate to the extent
1135 the cumulative value does not exceed two hundred dollars with
1136 respect to any single election, and on behalf of all state central or town
1137 committees does not exceed four hundred dollars in a calendar year;

1138 (8) The payment, by a party committee, political committee or an
1139 individual, of the costs of preparation, display, mailing or other
1140 distribution incurred by the committee or individual with respect to
1141 any printed slate card, sample ballot or other printed list containing
1142 the names of three or more candidates;

1143 (9) The donation of any item of personal property by an individual
1144 to a committee for a fund-raising affair, including a tag sale or auction,
1145 or the purchase by an individual of any such item at such an affair, to
1146 the extent that the cumulative value donated or purchased does not
1147 exceed fifty dollars;

1148 (10) The purchase of advertising space which clearly identifies the
1149 purchaser, in a program for a fund-raising affair, provided the
1150 cumulative purchase of such space does not exceed two hundred fifty
1151 dollars from any single candidate or [his] committee of any single
1152 candidate with respect to any single election campaign or two hundred
1153 fifty dollars from any single party committee or other political
1154 committee in any calendar year if the purchaser is a business entity or
1155 fifty dollars for purchases by any other person;

1156 (11) The payment of money by a candidate to [his] said candidate's
1157 candidate committee;

1158 (12) The donation of goods or services by a business entity to a
1159 committee for a fund-raising affair, including a tag sale or auction, to
1160 the extent that the cumulative value donated does not exceed one
1161 hundred dollars;

1162 (13) The advance of a security deposit by an individual to a
1163 telephone company, as defined in section 16-1, for telecommunications
1164 service for a committee, provided the security deposit is refunded to
1165 the individual; or

1166 (14) The provision of facilities, equipment, technical and managerial
1167 support, and broadcast time by a community antenna television
1168 company, as defined in section 16-1, for community access
1169 programming pursuant to section 16-331a, unless (A) the major
1170 purpose of providing such facilities, equipment, support and time is to
1171 influence the nomination or election of a candidate, or (B) such
1172 facilities, equipment, support and time are provided on behalf of a
1173 political party.

1174 Sec. 27. Subsection (a) of section 9-333e of the general statutes is
1175 repealed and the following is substituted in lieu thereof:

1176 (a) Statements filed by party committees, political committees
1177 formed to aid or promote the success or defeat of a referendum
1178 question proposing a constitutional convention, constitutional

1179 amendment or revision of the constitution, individual lobbyists, and
1180 those political committees and candidate committees formed to aid or
1181 promote the success or defeat of any candidate for the office of
1182 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1183 Comptroller, Attorney General, sheriff, judge of probate and members
1184 of the General Assembly, shall be filed with the office of the Secretary
1185 of the State. On and after January 1, 2002, a copy of each statement
1186 filed by a candidate committee formed to aid or promote the success of
1187 any candidate for the office of Governor, Lieutenant Governor,
1188 Secretary of the State, State Treasurer, State Comptroller or Attorney
1189 General, and on and after January 1, 2004, a copy of each statement
1190 filed by a candidate committee formed to aid or promote the success of
1191 any candidate for the office of state senator or state representative shall
1192 be filed at the same time with the commission. A copy of each
1193 statement filed by a town committee shall be filed at the same time
1194 with the town clerk of the municipality in which the committee is
1195 situated. A political committee formed for a slate of candidates in a
1196 primary for the position of convention delegate shall file statements
1197 with both the Secretary of the State and the town clerk of the
1198 municipality in which the primary is to be held.

1199 Sec. 28. Subsection (a) of section 9-333m of the general statutes is
1200 repealed and the following is substituted in lieu thereof:

1201 (a) No individual shall make a contribution or contributions to, for
1202 the benefit of, or pursuant to the authorization or request of, a
1203 candidate or a committee supporting or opposing any candidate's
1204 campaign for nomination at a primary, or any candidate's campaign
1205 for election, to the office of (1) Governor, [in excess of two thousand
1206 five hundred dollars] in excess of one thousand five hundred dollars
1207 for a primary or an election held in 2002, and in excess of one thousand
1208 dollars for a primary or an election held in 2006, or thereafter; (2)
1209 Lieutenant Governor, Secretary of the State, State Treasurer, State
1210 Comptroller or Attorney General, [in excess of one thousand five
1211 hundred dollars] in excess of one thousand dollars for a primary or an
1212 election held in 2002, and in excess of seven hundred fifty dollars for a

1213 primary or an election held in 2006, or thereafter; (3) sheriff or chief
1214 executive officer of a town, city or borough, in excess of one thousand
1215 dollars; (4) state senator or probate judge, in excess of five hundred
1216 dollars; or (5) state representative or any other office of a municipality
1217 not [previously] specifically included in this subsection, in excess of
1218 two hundred fifty dollars. [The] Except for contributions to, or for the
1219 benefit of, a candidate's campaign in 2002, or thereafter, for the office
1220 of Governor, Lieutenant Governor, Secretary of the State, State
1221 Treasurer, State Comptroller or Attorney General, the limits imposed
1222 by this subsection shall be applied separately to primaries and
1223 elections.

1224 Sec. 29. Subsection (e) of section 9-333n of the general statutes is
1225 repealed and the following is substituted in lieu thereof:

1226 (e) (1) Any individual acting alone may, independent of any
1227 candidate, agent of the candidate, or committee, make unlimited
1228 expenditures to promote the success or defeat of any candidate's
1229 campaign for election, or nomination at a primary, to any office or
1230 position. [, provided any individual who makes an independent
1231 expenditure or expenditures in excess of one thousand dollars to
1232 promote the success or defeat of any candidate's campaign for election,
1233 or nomination at a primary, to any such office or position shall file
1234 statements according to the same schedule and in the same manner as
1235 is required of a campaign treasurer of a candidate committee under
1236 section 9-333j.]

1237 (2) Any person who on or after July 1, 2000, makes or obligates to
1238 make an independent expenditure, as defined in section 9-333a of the
1239 general statutes, as amended, intended to promote the success or
1240 defeat of a candidate for public office, which exceeds one thousand
1241 dollars, in the aggregate, during a primary campaign or a general
1242 election campaign, shall file a report of such independent expenditure
1243 to the State Elections Enforcement Commission. The report shall be in
1244 the same form as statements filed under section 9-333j. If the person
1245 makes or obligates to make such independent expenditure more than

1246 twenty days before the day of a primary or election, the person shall
1247 file such report not later than forty-eight hours after such payment or
1248 obligation. If the person makes or obligates to make such independent
1249 expenditure twenty days or less before the day of a primary or
1250 election, the person shall file such report not later than twenty-four
1251 hours after such payment or obligation. The report shall be filed under
1252 penalty of false statement.

1253 (3) The independent expenditure report in subdivision (2) of this
1254 subsection shall include a statement (A) identifying the candidate for
1255 whom the independent expenditure is intended to promote the success
1256 or defeat, (B) affirming that the expenditure is totally independent and
1257 involves no cooperation or coordination with or direction from a
1258 candidate or a political party, and (C) affirming that the individual
1259 making the expenditure has not served or does not serve as treasurer,
1260 deputy treasurer or chairperson of the candidate committee during the
1261 same election cycle.

1262 (4) Any person may file a complaint with the commission upon the
1263 belief that (A) any such independent expenditure report or statement
1264 is false, or (B) any person who is required to file an independent
1265 expenditure report under subdivision (2) of this subsection has failed
1266 to do so. The commission shall make a prompt determination on such
1267 a complaint.

1268 Sec. 30. Subsection (d) of section 9-333o of the general statutes is
1269 repealed and the following is substituted in lieu thereof:

1270 (d) A political committee organized by a business entity shall not
1271 make a contribution or contributions to or for the benefit of any
1272 candidate's campaign for nomination at a primary or any candidate's
1273 campaign for election to the office of: (1) Governor, in excess of [five
1274 thousand dollars] three thousand five hundred dollars for a primary or
1275 an election held in 2002, or thereafter; (2) Lieutenant Governor,
1276 Secretary of the State, State Treasurer, State Comptroller or Attorney
1277 General, in excess of [three thousand dollars] two thousand dollars for

1278 a primary or an election held in 2002, or thereafter; (3) sheriff, in excess
1279 of two thousand dollars; (4) state senator, probate judge or chief
1280 executive officer of a town, city or borough, in excess of one thousand
1281 dollars; (5) state representative, in excess of five hundred dollars; [or]
1282 (6) any other office of a municipality not included in subdivision (4) of
1283 this subsection, in excess of two hundred fifty dollars; or (7) an
1284 exploratory committee, in excess of two hundred fifty dollars. [The]
1285 Except for contributions to, or for the benefit of, a candidate's
1286 campaign in 2002, or thereafter, for the office of Governor, Lieutenant
1287 Governor, Secretary of the State, State Treasurer, State Comptroller or
1288 Attorney General, the limits imposed by this subsection shall apply
1289 separately to primaries and elections, and contributions by any such
1290 committee to candidates designated in this subsection shall not exceed
1291 one hundred thousand dollars in the aggregate for any single election
1292 and primary preliminary thereto. Contributions to such committees
1293 shall also be subject to the provisions of section 9-333t, as amended by
1294 this act, in the case of committees formed for ongoing political activity
1295 or section 9-333u, as amended by this act, in the case of committees
1296 formed for a single election or primary.

1297 Sec. 31. Section 9-333q of the general statutes is repealed and the
1298 following is substituted in lieu thereof:

1299 (a) No political committee established by an organization shall
1300 make a contribution or contributions to, or for the benefit of, any
1301 candidate's campaign for nomination at a primary or for election to the
1302 office of: (1) Governor, in excess of two thousand five hundred dollars;
1303 (2) Lieutenant Governor, Secretary of the State, State Treasurer, State
1304 Comptroller or Attorney General, in excess of one thousand five
1305 hundred dollars; (3) sheriff or chief executive officer of a town, city or
1306 borough, in excess of one thousand dollars; (4) state senator or probate
1307 judge, in excess of five hundred dollars; or (5) state representative or
1308 any other office of a municipality not [previously] specifically included
1309 in this subsection, in excess of two hundred fifty dollars.

1310 (b) No such committee shall make a contribution or contributions to,

1311 or for the benefit of, an exploratory committee, in excess of two
1312 hundred fifty dollars. Any such committee may make unlimited
1313 contributions to a political committee formed solely to aid or promote
1314 the success or defeat of a referendum question.

1315 (c) [The] Except for contributions to, or for the benefit of, a
1316 candidate's campaign in 2002, or thereafter, for the office of Governor,
1317 Lieutenant Governor, Secretary of the State, State Treasurer, State
1318 Comptroller or Attorney General, the limits imposed by subsection (a)
1319 of this section shall apply separately to primaries and elections. [and
1320 no] No such committee shall make contributions to the candidates
1321 designated in this section which in the aggregate exceed fifty thousand
1322 dollars for any single election and primary preliminary thereto.

1323 (d) No political committee established by an organization shall
1324 make contributions in any one calendar year to, or for the benefit of, (1)
1325 the state central committee of a political party, in excess of five
1326 thousand dollars; (2) a town committee, in excess of one thousand
1327 dollars; or (3) any political committee, other than an exploratory
1328 committee or a committee formed solely to aid or promote the success
1329 or defeat of a referendum question, in excess of two thousand dollars.

1330 (e) No political committee established by an organization shall make
1331 contributions to the committees designated in subsection (d) of this
1332 section, which in the aggregate exceed fifteen thousand dollars in any
1333 one calendar year. Contributions to a political committee established
1334 by an organization shall also be subject to the provisions of section
1335 9-333t, as amended by this act, in the case of a committee formed for
1336 ongoing political activity or section 9-333u, as amended by this act, in
1337 the case of a committee formed for a single election or primary.

1338 Sec. 32. Subsection (b) of section 9-333y of the general statutes is
1339 repealed and the following is substituted in lieu thereof:

1340 (b) If any campaign treasurer or lobbyist fails to file the statements
1341 required by section 9-333j or subsection (g) of section 9-333l, as the case
1342 may be, within the time required, [he] the campaign treasurer or

1343 lobbyist shall pay a late filing fee of fifty-five dollars. In the case of a
1344 statement that is required to be filed with the Secretary of the State, the
1345 secretary shall, within ten days after the filing deadline, notify by
1346 certified mail, return receipt requested, the person required to file that,
1347 if such statement is not filed within twenty-one days after the deadline,
1348 the person is in violation of said section or subsection. If the person
1349 does not file such statement within twenty-one days after the deadline,
1350 the secretary shall notify the State Elections Enforcement Commission
1351 within twenty-eight days after the deadline. In the case of a copy of a
1352 statement that is required to be filed with the State Elections
1353 Enforcement Commission, the commission shall, not later than ten
1354 days after the filing deadline, notify by certified mail, return receipt
1355 requested, the person required to file that if such statement is not filed
1356 within twenty-one days after the deadline the person is in violation of
1357 section 9-333j. In the case of a statement that is required to be filed with
1358 a town clerk, the town clerk shall forthwith after the filing deadline
1359 notify by certified mail, return receipt requested, the person required
1360 to file that, if such statement is not filed within seven days after
1361 receiving such notice, the town clerk shall notify the State Elections
1362 Enforcement Commission that the person is in violation of said section
1363 or subsection. The penalty for any violation of said section or
1364 subsection shall be a fine of not more than one thousand dollars or
1365 imprisonment for not more than one year or both.

1366 Sec. 33. Section 9-7b of the general statutes is repealed and the
1367 following is substituted in lieu thereof:

1368 (a) The State Elections Enforcement Commission shall have the
1369 following duties and powers:

1370 (1) To make investigations on its own initiative or with respect to
1371 statements filed with the commission by the Secretary of the State or
1372 any town clerk, or upon written complaint under oath by any
1373 individual, with respect to alleged violations of any provision of the
1374 general statutes or sections 1 to 4, inclusive, 6 to 24, inclusive, and 36 of
1375 this act, relating to any election or referendum, any primary held

1376 pursuant to section 9-423, 9-424, 9-425 or 9-464 or any primary held
1377 pursuant to a special act, and to hold hearings when the commission
1378 deems necessary to investigate violations of any provisions of the
1379 general statutes or sections 1 to 4, inclusive, 6 to 24, inclusive, and 36 of
1380 this act, relating to any such election, primary or referendum, and for
1381 the purpose of such hearings the commission may administer oaths,
1382 examine witnesses and receive oral and documentary evidence, and
1383 shall have the power to subpoena witnesses under procedural rules the
1384 commission shall adopt, to compel their attendance and to require the
1385 production for examination of any books and papers which the
1386 commission deems relevant to any matter under investigation or in
1387 question. In connection with its investigation of any alleged violation
1388 of any provision of chapter 145, or of any provision of section 9-359 or
1389 section 9-359a, the commission shall also have the power to subpoena
1390 any municipal clerk and to require the production for examination of
1391 any absentee ballot, inner and outer envelope from which any such
1392 ballot has been removed, depository envelope containing any such
1393 ballot or inner or outer envelope as provided in sections 9-150a and
1394 9-150b and any other record, form or document as provided in section
1395 9-150b, in connection with the election, primary or referendum to
1396 which the investigation relates. In case of a refusal to comply with any
1397 subpoena issued pursuant to this subsection or to testify with respect
1398 to any matter upon which that person may be lawfully interrogated,
1399 the superior court for the judicial district of Hartford, on application of
1400 the commission, may issue an order requiring such person to comply
1401 with such subpoena and to testify; failure to obey any such order of the
1402 court may be punished by the court as a contempt thereof. In any
1403 matter under investigation which concerns the operation or inspection
1404 of or outcome recorded on any voting machine, the commission may
1405 issue an order to the municipal clerk to impound such machine until
1406 the investigation is completed;

1407 (2) To levy a civil penalty not to exceed (A) two thousand dollars
1408 per offense against any person the commission finds to be in violation
1409 of any provision of chapter 145, part V of chapter 146, part I of chapter

1410 147, chapter 148, section 9-12, subsection (a) of section 9-17, section
1411 9-19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a, 9-23g, 9-23h, 9-23j to
1412 9-23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b, 9-35c, 9-40a, 9-42, 9-43,
1413 9-50a, 9-56, 9-59, 9-168d, 9-170, 9-171, 9-172, 9-409, 9-410, 9-412, 9-436,
1414 9-436a, 9-453e to 9-453h, inclusive, 9-453k, [or] 9-453o or sections 1 to 4,
1415 inclusive, 6 to 24, inclusive, and 36 of this act, or (B) two thousand
1416 dollars per offense or twice the amount of any improper payment or
1417 contribution, whichever is greater, against any person the commission
1418 finds to be in violation of any provision of chapter 150. The
1419 commission may levy a civil penalty against any person under
1420 subparagraph (A) or (B) of this subdivision only after giving the
1421 person an opportunity to be heard at a hearing conducted in
1422 accordance with sections 4-176e to 4-184, inclusive. In the case of
1423 failure to pay any such penalty levied pursuant to this subsection
1424 [within] not later than thirty days of written notice sent by certified or
1425 registered mail to such person, the superior court for the judicial
1426 district of Hartford, on application of the commission, may issue an
1427 order requiring such person to pay the penalty imposed and such
1428 court costs, sheriff's fees and attorney's fees incurred by the
1429 commission as the court may determine;

1430 (3) (A) To issue an order requiring any person the commission finds
1431 to have received any contribution or payment which is prohibited by
1432 any of the provisions of chapter 150, after an opportunity to be heard
1433 at a hearing conducted in accordance with the provisions of sections
1434 4-176e to 4-184, inclusive, to return such contribution or payment to
1435 the donor or payor, or to remit such contribution or payment to the
1436 state for deposit in the General Fund, whichever is deemed necessary
1437 to effectuate the purposes of chapter 150;

1438 (B) To issue an order when the commission finds that an intentional
1439 violation of any provision of chapter 150 has been committed, after an
1440 opportunity to be heard at a hearing conducted in accordance with
1441 sections 4-176e to 4-184, inclusive, which order may contain one or
1442 more of the following sanctions: (i) Removal of a campaign treasurer,
1443 deputy campaign treasurer or solicitor; or (ii) prohibition on serving as

1444 a campaign treasurer, deputy campaign treasurer or solicitor, for a
1445 period not to exceed four years;

1446 (C) To issue an order revoking any person's eligibility to be
1447 appointed or serve as an election, primary or referendum official or
1448 unofficial checker or in any capacity at the polls on the day of an
1449 election, primary or referendum, when the commission finds such
1450 person has intentionally violated any provision of the general statutes
1451 relating to the conduct of an election, primary or referendum, after an
1452 opportunity to be heard at a hearing conducted in accordance with
1453 sections 4-176e to 4-184, inclusive;

1454 (4) To issue an order to a candidate committee which receives
1455 moneys from the Citizens' Election Fund pursuant to sections 1 to 4,
1456 inclusive, 6 to 24, inclusive, and 36 of this act, to comply with the
1457 provisions of said sections 1 to 4, inclusive, 6 to 22, inclusive, and 36,
1458 after an opportunity to be heard at a hearing conducted in accordance
1459 with the provisions of sections 4-176e to 4-184, inclusive;

1460 [(4)] (5) To inspect or audit at any reasonable time and upon
1461 reasonable notice the accounts or records of any campaign treasurer or
1462 principal campaign treasurer, as required by chapter 150 and sections 1
1463 to 4, inclusive, 6 to 24, inclusive, and 36 of this act, and to audit any
1464 such election, primary or referendum held within the state; provided,
1465 it shall not audit any caucus, as defined in subdivision (1) of section
1466 9-372;

1467 [(5)] (6) To attempt to secure voluntary compliance, [by informal
1468 methods of conference, conciliation and persuasion,] with any
1469 provision of chapters 149 to 153, inclusive, or any other provision of
1470 the general statutes relating to any such election, primary or
1471 referendum by informal methods of conference, conciliation and
1472 persuasion;

1473 [(6)] (7) To consult with the Secretary of the State, the Chief State's
1474 Attorney or the Attorney General on any matter which the commission
1475 deems appropriate;

1476 [(7)] (8) To refer to the Chief State's Attorney evidence bearing upon
1477 violation of any provision of chapters 149 to 153, inclusive, or any
1478 other provision of the general statutes or sections 1 to 4, inclusive, 6 to
1479 24, inclusive, and 36 of this act, pertaining to or relating to any such
1480 election, primary or referendum;

1481 [(8)] (9) To refer to the Attorney General evidence for injunctive
1482 relief and any other ancillary equitable relief in the circumstances of
1483 subdivision [(7)] (8) of this [section] subsection. Nothing in this
1484 subdivision shall preclude a person who claims that [he] such person is
1485 aggrieved by a violation of any provision of chapter 152 or any other
1486 provision of the general statutes relating to referenda from pursuing
1487 injunctive and any other ancillary equitable relief directly from the
1488 Superior Court by the filing of a complaint;

1489 [(9)] (10) To refer to the Attorney General evidence pertaining to any
1490 ruling which the commission finds to be in error made by election
1491 officials in connection with any election, primary or referendum. Those
1492 remedies and procedures available to parties claiming to be aggrieved
1493 under the provisions of sections 9-323, 9-324, as amended by this act,
1494 9-328 and 9-329a shall apply to any complaint brought by the Attorney
1495 General as a result of the provisions of this subdivision;

1496 [(10)] (11) To consult with the United States Department of Justice
1497 and the United States Attorney for Connecticut on any investigation
1498 pertaining to a violation of this section, section 9-12, subsection (a) of
1499 section 9-17 or section 9-19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a,
1500 9-23g, 9-23h, 9-23j to 9-23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b,
1501 9-35c, 9-40a, 9-42, 9-43, 9-50a, 9-56 or 9-59 and to refer to said
1502 department and attorney evidence bearing upon any such violation for
1503 prosecution under the provisions of the National Voter Registration
1504 Act of 1993, P.L. 103-31, as amended from time to time;

1505 [(11)] (12) To inspect reports filed with the Secretary of the State and
1506 with town clerks pursuant to chapter 150 and refer to the Chief State's
1507 Attorney evidence bearing upon any violation of law therein if such

1508 violation was committed knowingly and wilfully;

1509 [(12)] (13) To intervene in any action brought pursuant to the
1510 provisions of sections 9-323, 9-324, as amended by this act, 9-328 and
1511 9-329a upon application to the court in which such action is brought
1512 when in the opinion of the court it is necessary to preserve evidence of
1513 possible criminal violation of the election laws;

1514 [(13)] (14) To adopt and publish regulations pursuant to chapter 54
1515 to carry out the provisions of section 9-7a, this section, sections 1 to 4,
1516 inclusive, 6 to 24, inclusive, and 36 of this act, and chapter 150; to issue
1517 upon request and publish advisory opinions in the Connecticut Law
1518 Journal upon the requirements of chapter 150 and sections 1 to 4,
1519 inclusive, 6 to 24, inclusive, and 36 of this act, and to make
1520 recommendations to the General Assembly concerning suggested
1521 revisions of the election laws;

1522 [(14)] (15) To the extent that the Elections Enforcement Commission
1523 is involved in the investigation of alleged or suspected criminal
1524 violations of any provision of the general statutes or sections 1 to 4,
1525 inclusive, 6 to 24, inclusive, and 36 of this act, pertaining to or relating
1526 to any such election, primary or referendum and is engaged in such
1527 investigation for the purpose of presenting evidence to the Chief
1528 State's Attorney, the Elections Enforcement Commission shall be
1529 deemed a law enforcement agency for purposes of subdivision (3) of
1530 subsection (b) of section 1-210, provided nothing in this section shall be
1531 construed to exempt the Elections Enforcement Commission in any
1532 other respect from the requirements of the Freedom of Information
1533 Act, as defined in section 1-200;

1534 [(15)] (16) To enter into such contractual agreements as may be
1535 necessary for the discharge of its duties, within the limits of its
1536 appropriated funds and in accordance with established procedures;
1537 and

1538 [(16)] (17) To provide the Secretary of the State with notice and
1539 copies of all decisions rendered by the commission in contested cases,

1540 advisory opinions and declaratory judgments, at the time such
1541 decisions, judgments and opinions are made or issued.

1542 (b) In the case of a refusal to comply with an order of the
1543 commission issued pursuant to subdivision (3) of subsection (a) of this
1544 section, the superior court for the judicial district of Hartford, on
1545 application of the commission, may issue a further order to comply.
1546 Failure to obey such further order may be punished by the court as a
1547 contempt thereof.

1548 (c) (1) In addition to its jurisdiction over persons who are residents
1549 of this state, the State Elections Enforcement Commission may exercise
1550 personal jurisdiction over any nonresident person, or the agent of such
1551 person, who makes a payment of money, gives anything of value, or
1552 makes a contribution or expenditure to or for the benefit of any
1553 committee or candidate.

1554 (2) Where personal jurisdiction is based solely upon this subsection,
1555 an appearance does not confer personal jurisdiction with respect to
1556 causes of action not arising from an act enumerated in this subsection.

1557 (3) Any nonresident person or the agent of such person over whom
1558 the State Elections Enforcement Commission may exercise personal
1559 jurisdiction, as provided in subdivision (1), shall be deemed to have
1560 appointed the Secretary of the State as the person's or agent's attorney
1561 and to have agreed that any process in any complaint, investigation or
1562 other matter conducted pursuant to section 9-7b brought against the
1563 nonresident person, or said person's agent, may be served upon the
1564 Secretary of the State and shall have the same validity as if served
1565 upon such nonresident person or agent personally. The process shall
1566 be served by the officer to whom the same is directed upon the
1567 Secretary of the State by leaving with or at the office of the Secretary of
1568 the State, at least twelve days before any required appearance day of
1569 such process, a true and attested copy of such process, and by sending
1570 to the nonresident person or agent so served, at the person's or agent's
1571 last-known address, by registered or certified mail, postage prepaid, a

1572 like and attested copy with an endorsement thereon of the service
1573 upon the Secretary of the State. The Secretary of the State shall keep a
1574 record of each such process and the day and hour of service.

1575 Sec. 34. Section 9-324 of the general statutes is repealed and the
1576 following is substituted in lieu thereof:

1577 Any elector or candidate who claims that [he] such elector or
1578 candidate is aggrieved by any ruling of any election official in
1579 connection with any election for Governor, Lieutenant Governor,
1580 Secretary of the State, State Treasurer, Attorney General, State
1581 Comptroller, sheriff or judge of probate, held in [his] such elector or
1582 candidate's town, or that there has been a mistake in the count of the
1583 votes cast at such election for candidates for said offices or any of
1584 them, at any voting district in [his] such elector or candidate's town, or
1585 any candidate for such an office who claims that [he] such candidate is
1586 aggrieved by a violation of any provision of [sections] section 9-355,
1587 9-357 to 9-361, inclusive, 9-364, 9-364a or 9-365 in the casting of
1588 absentee ballots at such election or any candidate for the office of
1589 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1590 Attorney General or State Comptroller, who claims that such candidate
1591 is aggrieved by a violation of any provision of sections 1 to 4, inclusive,
1592 6 to 24, inclusive, and 36 of this act, may bring [his] such elector or
1593 candidate's complaint to any judge of the Superior Court, in which [he]
1594 such elector or candidate shall set out the claimed errors of such
1595 election official, the claimed errors in the count or the claimed
1596 violations of said sections. In any action brought pursuant to the
1597 provisions of this section, the complainant shall send a copy of the
1598 complaint by first-class mail, or deliver a copy of the complaint by
1599 hand, to the State Elections Enforcement Commission. If such
1600 complaint is made prior to such election, such judge shall proceed
1601 expeditiously to render judgment on the complaint and shall cause
1602 notice of the hearing to be given to the Secretary of the State and the
1603 State Elections Enforcement Commission. If such complaint is made
1604 subsequent to the election, it shall be brought [within] not later than
1605 fourteen days of the election and such judge shall forthwith order a

1606 hearing to be had upon such complaint, upon a day not more than five
1607 nor less than three days from the making of such order, and shall cause
1608 notice of not less than three nor more than five days to be given to any
1609 candidate or candidates whose election may be affected by the decision
1610 upon such hearing, to such election official, the Secretary of the State,
1611 the State Elections Enforcement Commission and to any other party or
1612 parties whom such judge deems proper parties thereto, of the time and
1613 place for the hearing upon such complaint. Such judge shall, on the
1614 day fixed for such hearing and without unnecessary delay, proceed to
1615 hear the parties. If sufficient reason is shown, [he] such judge may
1616 order any voting machines to be unlocked or any ballot boxes to be
1617 opened and a recount of the votes cast, including absentee ballots, to
1618 be made. Such judge shall thereupon, in case [he] such judge finds any
1619 error in the rulings of the election official, any mistake in the count of
1620 the votes or any violation of said sections, certify the result of [his]
1621 such judge's finding or decision to the Secretary of the State before the
1622 fifteenth day of the next succeeding December. Such judge may order a
1623 new election or a change in the existing election schedule. Such
1624 certificate of such judge of [his] such judge's finding or decision shall
1625 be final and conclusive upon all questions relating to errors in the
1626 rulings of such election officials, to the correctness of such count, and,
1627 for the purposes of this section only, such claimed violations, and shall
1628 operate to correct the returns of the moderators or presiding officers,
1629 so as to conform to such finding or decision, unless the same is
1630 appealed from as provided in section 9-325.

1631 Sec. 35. Subsections (b) and (c) of section 9-348ee of the general
1632 statutes are repealed and the following is substituted in lieu thereof:

1633 (b) On and after January 1, [1999] 2001, the campaign treasurer of
1634 the candidate committee for each candidate for nomination or election
1635 to the office of Governor, Lieutenant Governor, Attorney General,
1636 State Comptroller, State Treasurer or Secretary of the State who raises
1637 or spends [two hundred fifty] one hundred thousand dollars or more
1638 during an election campaign, and on and after January 1, 2003, the
1639 campaign treasurer of the candidate committee for each candidate for

1640 nomination or election to the office of state senator or state
1641 representative, who has received contributions totaling seventy-five
1642 per cent of the applicable expenditure limit in section 9 of this act, shall
1643 file in electronic form all financial disclosure statements required by
1644 said section 9-333j by either transmitting disks, tapes or other
1645 electronic storage media containing the contents of such statements to
1646 the office of the Secretary of the State or transmitting the statements
1647 on-line to said office. Each such campaign treasurer shall use either (1)
1648 a software program created by the Secretary of the State under
1649 subdivision (1) of subsection (a) of this section, for all such statements
1650 filed on or after [January 1, 1999] said date, or (2) another software
1651 program which provides for the standard reporting format, and
1652 complies with the specifications, which are prescribed by the secretary
1653 under subdivision (2) of subsection (a) of this section, for all such
1654 statements filed on or after [July 1, 1999] said date. The office of the
1655 Secretary of the State shall accept any statement that uses any such
1656 software program. Once any such candidate committee has raised or
1657 spent [two hundred fifty thousand dollars or more] said amount
1658 during an election campaign, all previously filed statements required
1659 by said section 9-333j, which were not filed in electronic form shall be
1660 refiled in such form, using such a software program, not later than the
1661 date on which the campaign treasurer of the committee is required to
1662 file the next regular statement under said section 9-333j.

1663 (c) On and after January 1, [1999] 2001, (1) the campaign treasurer of
1664 the candidate committee for any other candidate, as defined in section
1665 9-333a, who is required to file the financial disclosure statements
1666 required by section 9-333j with the office of the Secretary of the State
1667 and (2) the campaign treasurer of any political committee or party
1668 committee, may file in electronic form any financial disclosure
1669 statements required by said section 9-333j. Such filings may be made
1670 by either transmitting disks, tapes or other electronic storage media
1671 containing the contents of such statements to the proper authority
1672 under section 9-333e or transmitting the statements on-line to such
1673 proper authority. Each such campaign treasurer shall use either (A) a

1674 software program created by the Secretary of the State under
1675 subdivision (1) of subsection (a) of this section, for all such statements
1676 filed in electronic form on or after [January 1, 1999] said date, or (B)
1677 another software program which provides for the standard reporting
1678 format, and complies with the specifications, which are prescribed by
1679 the secretary under subdivision (2) of subsection (a) of this section, for
1680 all such statements filed in electronic form on or after [July 1, 1999]
1681 said date. The proper authority under section 9-333e shall accept any
1682 statement that uses any such software program.

1683 Sec. 36. (NEW) (a) (1) No candidate for the office of Governor or
1684 Lieutenant Governor shall solicit contributions, on behalf of a
1685 candidate committee established by a candidate for nomination or
1686 election to any public office or on behalf of any political committee or
1687 party committee, or accept contributions, (A) from any individual who
1688 (i) is an officer, director, owner, limited or general partner or holder of
1689 stock constituting five per cent or more of the total outstanding stock
1690 of any class of a business which has a contract with the state valued at
1691 two hundred fifty thousand dollars or more and (ii) has substantial
1692 policy or decision-making authority related to the administration of
1693 said contract or (B) from a political committee established by such
1694 business.

1695 (2) No such individual from such business and no political
1696 committee established by such business shall make a contribution to
1697 any candidate committee established by a candidate for the office of
1698 Governor or Lieutenant Governor, during the term of such contract. If
1699 any such individual or political committee makes such a contribution,
1700 the business shall be prohibited from being awarded a state contract
1701 for one year after the election for which such contribution is made.

1702 (b) (1) No candidate for the office of Attorney General, State
1703 Comptroller or Secretary of the State shall solicit contributions, on
1704 behalf of a candidate committee established by a candidate for
1705 nomination or election to any public office or on behalf of any political
1706 committee or party committee, or accept contributions, (A) from any

1707 individual who (i) is an officer, director, owner, limited or general
1708 partner or holder of stock constituting five per cent or more of the total
1709 outstanding stock of any class of a business which has a contract with
1710 such official's office valued at two hundred fifty thousand dollars or
1711 more and (ii) has substantial policy or decision-making authority
1712 related to the administration of said contract or (B) from a political
1713 committee established by such business.

1714 (2) No such individual from such business and no political
1715 committee established by such business shall make a contribution to
1716 any candidate committee established by a candidate for the office with
1717 which the business has a contract, during the term of such contract. If
1718 any such individual or political committee makes such a contribution,
1719 the business shall be prohibited from being awarded a contract from
1720 such office for one year after the election for which such contribution is
1721 made.

1722 (3) The provisions of this subsection shall also apply to the State
1723 Treasurer to the extent such provisions are not inconsistent with other
1724 statutory restrictions relating to the State Treasurer.

1725 (c) (1) No candidate for the office of state senator or state
1726 representative shall solicit contributions, on behalf of a candidate
1727 committee established by a candidate for nomination or election to any
1728 public office or on behalf of any political committee or party
1729 committee, or accept contributions, (A) from any individual who (i) is
1730 an officer, director, owner, limited or general partner or holder of stock
1731 constituting five per cent or more of the total outstanding stock of any
1732 class of a business which has a contract with the General Assembly
1733 valued at two hundred fifty thousand dollars or more and (ii) has
1734 substantial policy or decision-making authority related to the
1735 administration of said contract or (B) from a political committee
1736 established by such business.

1737 (2) No such individual from such business and no political
1738 committee established by such business shall make a contribution to

1739 any candidate committee established by a candidate for the office of
1740 state senator or state representative, during the term of such contract.
1741 If any such individual or political committee makes such a
1742 contribution, the business shall be prohibited from being awarded a
1743 contract by the General Assembly for one year after the election for
1744 which such contribution is made.

1745 Sec. 37. (a) There is established a blue ribbon commission to study
1746 the party nominating process in Connecticut and make
1747 recommendations concerning such process in the context of the
1748 voluntary campaign expenditure limits program and Citizens' Election
1749 Program established in sections 1 to 4, inclusive, and 6 to 24, inclusive,
1750 of this act.

1751 (b) The commission shall consist of the following members:

1752 (1) Two appointed by the speaker of the House of Representatives;

1753 (2) Two appointed by the president pro tempore of the Senate;

1754 (3) Two appointed by the minority leader of the House of
1755 Representatives; and

1756 (4) Two appointed by the minority leader of the Senate.

1757 (c) Any member of the commission may be a member of the General
1758 Assembly.

1759 (d) All appointments to the commission shall be made no later than
1760 May 30, 2000. Any vacancy shall be filled by the appointing authority.

1761 (e) The speaker of the House of Representatives and the president
1762 pro tempore of the Senate shall select the chairpersons of the
1763 commission, from among the members of the commission. Such
1764 chairpersons shall schedule the first meeting of the commission, which
1765 shall be held no later than June 30, 2000.

1766 (f) The commission shall be in the office of the Secretary of the State

1767 for administrative purposes only.

1768 (g) Not later than January 1, 2001, the commission shall prepare a
1769 report on its findings and recommendations. The commission shall
1770 terminate on the date that it submits such report.

1771 Sec. 38. Section 9-348gg, as amended by section 9 of public act 99-1
1772 of the June special session, is repealed and the following is substituted
1773 in lieu thereof:

1774 On and after January 1, [2000] 2001, the Secretary of the State shall
1775 make all computerized data from statements required by section 9-333j
1776 available to the public, not later than two business days after the
1777 statements are filed, through (1) computer terminals in the Office of
1778 the Secretary of the State and, if feasible, at remote access locations and
1779 (2) the Internet or any other generally available on-line computer
1780 network.

1781 Sec. 39. This act shall take effect from its passage, except that
1782 sections 1 to 34 and 36 shall take effect July 1, 2000, and sections 35 and
1783 38 shall take effect January 1, 2001, and shall be applicable to elections
1784 held after said date, and sections 3 and 4 shall be applicable to taxable
1785 years commencing on or after January 1, 2000.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Unrestricted General Fund Revenue Loss, Citizen's Election Fund Revenue Gain, Cost (Citizen's Election Fund), Minimal General Fund Revenue Gain

Affected Agencies: State Elections Enforcement Commission, Secretary of the State, Department of Revenue Services, Criminal Justice System

Municipal Impact: None

Explanation

State Impact:

The bill as amended establishes a separate non-lapsing fund, known as the Citizens' Election Fund which is financed through: 1) income and corporate tax check-offs and refund contributions; 2) voluntary contributions; 3) donations of candidate or certain political committee surpluses; 4) penalties and late fees for election law violations imposed by State Elections Enforcement Commission (SEEC) and the Secretary of State; and 5) investment earnings. The SEEC directs the Comptroller to disburse grants from the fund to participating candidates.

The bill as amended is anticipated to result in a revenue gain to the Citizens' Election Fund (CEF) of between \$3.95 and \$9.5 million per year. The majority of revenue is anticipated to come from the personal and corporate income check offs pursuant to sections 3(a)(2) and

4(a)(2) of the amendment. The check-off provisions earmark revenue that currently, along with the penalties and fees collected by the State Election Enforcement Commission and the Secretary of the State, is deposited into the General Fund where it is combined with other revenue sources to fund the programs of the General Fund. Therefore, these provisions have the effect of transferring unrestricted General Fund revenue to a restricted account within the General Fund thus reducing the revenue available to balance the General Fund budget. All other revenue sources (various donations and interest earnings) have no impact on the state's current revenue stream. The following table shows the anticipated revenue sources of the CEF.

Source	<i>Annual Revenue</i>
Personal Income Tax Check- Off	\$1.0 to \$2.4 million {1}
Corporate Income Tax Check- Off	\$2.6 to \$5.2 million {2}
Penalties & Fees (current & new)	\$.05 to \$.1 million {3}
Total – Transfers to CEF from GF Unrestricted Revenue	\$3.65 to \$7.7 million
Other Revenue Sources (various donations & interest earnings)	\$.3 to \$1.8 million {4}
Total Revenue to CEF	\$3.95 to \$9.5 million

The following are the assumptions used to arrive at the estimates in the table above:

{1} The lower range (\$1 million) is the average of other states participation rates that have a check-off. The upper range (\$2.4 million) is based on Connecticut's latest participation rate in the Presidential Election Fund program.

{2} Since no other states have a check-off for business tax filers, it

was assumed that at the low end (\$2.6 million) that at least 25% of eligible filers would participate and designate the maximum check off of \$200 and at the high end (\$5.2 million) 50% of eligible filers would participate.

{3} Under current law, the Secretary of State assessed penalties averaging \$18,000 during the previous two fiscal years and the SEEC imposed penalties averaging \$46,113 during the same two-year period.

{4} The range is based on other states experiences with add-ons and various voluntary contributions.

If the State Elections Enforcement Commission (SEEC) determines that there are insufficient monies in the CEF, the SEEC must distribute money in equal shares to all participating candidates and the candidates can resume accepting contributions and spend up to the program limit.

State Elections Enforcement Commission

The bill as amended provides the SEEC with additional responsibilities and extends some of the commission's existing responsibilities to administer and enforce the provisions of the public financing program.

The SEEC may retain up to 2% of receipts to the CEF for administration of the program. Any unspent portion of these funds may be carried forward by the SEEC for future use. Because the anticipated annual receipts to the CEF varies significantly from \$3.95 million to \$9.5 million, the amount the SEEC may receive will vary correspondingly. It is anticipated that the SEEC will incur recurring, annual costs only to the extent the CEF can support such costs.

It is anticipated that beginning in FY 01, the SEEC will need to direct approximately \$10,000 - \$15,000 of its retained percentage of the CEF to promote the fund and attract additional contributions. The costs are associated with developing public service announcements,

promotional materials, printing and production costs, and postage costs.

Beginning in FY 02, the SEEC will incur annual expenses of \$154,216, and a one-time start up cost of \$13,000 related to equipment for new employees. It is anticipated that the SEEC will need two full time staff: a Director for the Public Finance Program with salary, fringe benefits and associated other expenses costs of \$94,768; and an Accountant Trainee position with salary, fringe benefits and associated other expenses of \$59,448.

During an election year of publicly financed candidates, the SEEC may incur additional costs for temporary staff, and a link to the Comptroller's accounting system. If the current SEEC staff cannot handle the workload increase, additional paralegal or clerical staff may be needed with an estimated cost of \$35,000. Additionally, the SEEC will need to direct approximately \$5,000 - \$10,000 of its retained percentage of the fund to support the costs of using the direct link to the Comptroller's accounting system necessary for making timely grants to participating candidates.

Under this bill as amended, the Elections Enforcement Commission may impose civil penalties for violations, therefore, a revenue gain of \$50,000 - \$100,000 is expected to result. The amendment directs these revenues to the CEF, rather than the General Fund.

Secretary of State

The Secretary of State maintains the automated State Voter Registration List. Providing electronic copies of this list free of charge to qualifying candidate committees may result in a workload increase which can be handled within the existing budgetary resources of the agency.

Recoding the Campaign Finance Information System (CFIS) to distinguish candidates who receive public funds from those who do not may require an outside vendor to reprogram the system. If the

Secretary of State's office is not able to handle this recoding with existing resources, a minimal cost estimated between \$10,000 - \$20,000 may result from having an outside vendor reprogram the system. It is anticipated that any potential costs can be handled within existing resources. The bill as amended makes other changes which will require minor modifications to the CFIS which can be handled within existing resources.

The bill as amended establishes a Blue Ribbon Commission, within the Office of the Secretary of the State for administrative purposes only, to study the state's political party nominating process and make recommendations. It is anticipated that none of the members of the commission will be compensated and that no consultants will be used to conduct the study, thus there is no fiscal impact.

Department of Revenue Services

It is anticipated that the Department of Revenue Services (DRS) will have initial one-time costs of \$152,000. This expense includes development, and programming to revise the tax return forms. Annual administrative expenses of \$394,000 are also estimated to result. The annual expenses include the costs of processing, additional postage and printing, and auditing the fund in compliance with the provisions of the bill. Since the bill as amended authorizes DRS to retain up to 4% of contributions to implement this program, and because the anticipated annual receipts to the CEF varies significantly, it is unlikely that funds will be sufficient to cover identified costs in FY 01 and uncertain whether funds will be sufficient to cover the recurring out-year costs.

Criminal Justice System

The bill as amended could also result in a minimal cost and a minimal revenue gain to the criminal justice system by establishing additional activities that would be subject to the penalties for larceny. Any increase in cost is anticipated to be absorbable within the normal budgetary resources of the criminal justice system.

House "A" strikes the original bill and its associated fiscal impact.

OFA Comment

Whether the CEF is subject to the spending cap is a matter of interpretation. However, under the current interpretation, the fund would not be subject to the spending cap since the fund will not be subject to appropriation. This would be consistent with current spending cap calculations.

Pursuant to CGS 2-33a, the spending cap applies to "expenditures from appropriated funds authorized by public or special act." Whereas expenditures from the CEF do not require appropriation from the General Assembly, the fund would be considered an "off budget" or non-appropriated fund and would be interpreted to be exempt from the spending cap. However CGS 4-69 subsection (4) defines an appropriation as "an authorization by the General Assembly to make expenditures and incur liabilities." Under this definition there is no distinction between "on" or "off budget" expenditures. Additionally, the CEF is authorized by a public act and on that basis therefore could be interpreted to be subject to the spending cap.

For the purposes of current spending cap calculations only the ten funds appropriated in the budget bill are considered appropriated funds. Treating the CEF in a manner consistent with current practice, the fund would not be subject to the spending cap.

OLR Amended Bill Analysis

sHB 5102 (as amended by House "A")*

AN ACT PROPOSING COMPREHENSIVE CAMPAIGN FINANCE REFORM FOR STATE-WIDE CONSTITUTIONAL OFFICES.**SUMMARY:**

This bill establishes a two-step system of public financing for election campaigns. The first part sets up a voluntary spending limit program for the general election that grants state funding only after (1) a participating candidate's opponent exceeds the spending limit or (2) a participating candidate is the target of an independent expenditure. To participate in the program, a candidate must agree to the spending limits and must have received a threshold level of contributions and receipts. The bill makes this program available to state office candidates for the 2002 election only and to legislative candidates for the 2004 election and thereafter.

Under the second program, beginning with the 2006 state election, major and minor party candidates for state offices who receive qualifying contributions and agree to limit their spending and comply with other program requirements are eligible to receive state grants for their campaigns. The limits apply and the grants are available after a political party's nominating convention for a primary, if there is one, and during the general election campaign.

The bill creates a Citizens' Election Fund to fund the programs. The sources of the fund are (1) income and corporate tax checkoffs and add-ons, (2) voluntary contributions, (3) donations of candidate or certain political committee (PAC) surpluses, (4) penalties and late fees for election law violations, and (5) its investment earnings.

The bill also:

1. reduces certain contribution limits;
2. expands campaign finance reporting requirements for candidates and those who make independent expenditures for purposes of

program implementation;

3. lowers the threshold and expands the mandatory electronic filing requirement for campaign finance statements;
4. bans campaign contributions to certain candidates from those who are associated with businesses that have state contracts worth over \$250,000;
5. prohibits a state contract award for a year to an individual or business whose PAC has made a campaign contribution to certain elected officials; and
6. extends the State Elections Enforcement Commission's (SEEC) authority to include personal jurisdiction over a nonresident, or his agent, who contributes to any candidate, party committee, or PAC.

State office candidates are those running for governor, lieutenant governor, attorney general, state comptroller, secretary of the state, and state treasurer. For purposes of the new programs, the campaign finance laws' definitions apply.

The SEEC is charged with administering and enforcing the new program provisions. Each year the commission must report on the status of the fund. If, at the beginning of an election year, the SEEC discovers that the fund cannot cover its obligations to participating candidates, the commission must distribute money in equal shares to all of them and the candidates can resume accepting contributions and spend up to the program limits.

The bill creates penalties for violating program requirements and gives candidates the opportunity to have a hearing conducted by the SEEC. Candidates for state offices can file a complaint in Superior Court if they claim they have been harmed with respect to this program in the same way they may currently complain about other election violations.

The bill requires the secretary of the state to provide qualifying candidate committees with a free electronic copy of the statewide computerized voter registry list.

*House Amendment "A":

1. alters the amounts and methods for calculating the spending limits for and grants to state office candidates participating in the Citizens' Election Program;
2. adds a voluntary spending limits program for state office candidates in 2002 and for legislative office candidates in 2004 and thereafter;
3. gives the state treasurer responsibility for administering the Citizens' Election Fund;
4. removes the cap on the tax add-on and contribution that a taxpayer can contribute to the fund;
5. removes the tax deduction for a tax add-on or contribution to the fund;
6. removes the provisions allowing the General Assembly to meet and authorize state spending for the fund when the SEEC determines the fund balance is inadequate;
7. removes the provisions on party contributions to participating candidates and bans them after the point a candidate begins to participate in the program, but allows parties to make certain in-kind contributions (they are unlimited under current law);
8. permits contributions from lobbyists and state contractors to count as qualifying contributions;
9. requires SEEC to create public lists of participating and nonparticipating candidates;
10. increases the maximum amount of a contribution from an individual that counts as a qualifying contribution;
11. eliminates the requirement that a participating candidate file a surety bond;
12. reduces the time period that SEEC has to review and the comptroller has to pay grants to candidates;
13. changes the penalty for a participating candidate who overspends

from a class D felony to the penalties for larceny (which vary depending on the amount overspent, ranging from a class B felony to a class A misdemeanor);

14. removes the limits on the amounts a participating candidate can receive from the fund when an opponent exceeds the spending limit or there is an independent expenditure;
15. removes the provision in the original file that made purchase of advertising space in a fund raiser program a contribution for purposes of the campaign finance programs;
16. makes the limits for business PAC contributions to candidates for governor \$3,500, rather than \$1,000 as in the original file; and to other state office candidates \$2,000, rather than \$750;
17. deletes the original file's reduction of labor PACs contribution limits;
18. deletes the original file's \$1,000 limit on contributions to candidates for governor and other state offices from ongoing PACs and committees established for a single primary or election, leaving them unlimited;
19. increases the threshold for reporting an independent expenditure that targets a program participant from \$500 to \$1,000 (the current amount that triggers reporting of any independent expenditure);
20. adds the provision on electronic filing;
21. reduces from 3% to 2% the percentage of the fund that the SEEC can deduct for its administrative costs;
22. extends the SEEC's authority to include personal jurisdiction over a nonresident;
23. removes the Government Administration and Elections Committee's responsibility to report to the General Assembly on the programs;
24. adds the restrictions on state contractors' campaign contributions;

- 25. establishes the Blue Ribbon Commission;
- 26. requires the secretary to make computerized campaign finance statements available electronically within two days of receiving them; and
- 27. deletes the severability clause.

EFFECTIVE DATE: The campaign finance provisions are effective July 1, 2000; the electronic filing and access provisions are effective January 1, 2001; and the Blue Ribbon Commission section is effective upon passage. The tax provisions apply to tax years beginning January 1, 2000. The voluntary spending limits program begins for state office candidates with the 2002 election and for legislative candidates with 2004. The Citizens' Election Fund program begins with the 2006 state election cycle.

CITIZENS' ELECTION FUND SOURCES (§§ 2-7 AND 17)

The bill establishes a Citizens' Election Fund from which payments to participating candidates are made. It includes proceeds from (1) income and corporate tax add-ons or refund contributions, (2) income and corporate tax checkoffs, (3) voluntary contributions, (4) contributions of campaign committee surpluses and of certain other committees that dissolve, (5) participating candidates' committee surplus distributions, (6) all civil penalties and late fees the SEEC and the secretary of the state impose for election law violations, and (7) the fund's own investment earnings. The fund is a separate, nonlapsing account in the General Fund, administered by the treasurer.

Tax Add-On

The bill creates an income tax and corporation business tax add-on system, which taxpayers can use to contribute to the fund. They can contribute either an amount from their tax refund, an additional amount of money, or both by indicating the amount on their tax returns, beginning with tax year 2000. Contributions taken from a refund count as a refund when determining a subsequent year's tax obligation.

The revenue services commissioner must revise the tax return forms and include in accompanying instructions a description of the fund's

purposes. He can keep up to 4% of the money contributed in a fiscal year (but no more than his costs) to pay for the department's program implementation costs if the Office of Policy and Management secretary approves.

Tax Checkoff

The bill permits individual income taxpayers to designate a \$5 tax checkoff (\$10 for both husband and wife who file a joint return) for the fund. The taxpayer must have a tax liability of at least \$5 (or \$10) before (1) individuals apply any property tax credit or (2) corporations apply any tax credits. The designation does not increase the amount of taxes due. Corporate taxpayers can designate the full amount of their tax liability to the fund if it is less than \$200. A corporation whose tax liability is \$200 or more can designate a \$200 checkoff to the fund.

Voluntary Contributions

The bill allows a person, firm, corporation, party committee, or PAC to contribute directly to the fund. Contributions must be sent to the SEEC and be paid by check or money order.

Donations of Committee Surplus

Any candidate committee or a political committee, other than an ongoing PAC or an exploratory committee, can contribute its surplus to the fund when it dissolves. The law requires committee treasurers to spend or distribute surplus funds within 90 days of (1) a primary when a candidate loses, (2) an election, or (3) a referendum. The bill adds the fund to the following current eligible recipients: party committees, ongoing PACs, charitable organizations, or contributors on a prorated basis.

Any candidate committee that receives money from the fund must return any surplus to it. The surplus of a participating lieutenant governor candidate's committee must be turned over to the fund when the candidate joins a gubernatorial candidate's campaign.

VOLUNTARY SPENDING LIMITS PROGRAM (§§ 8-9)

The bill establishes a voluntary spending limits program for major, minor, and petitioning party candidates for state office campaigns for

the 2002 general election and for legislative candidates beginning in 2004 and continuing. Under the program, a participating candidate (one who agrees to the spending limit and has met the threshold for qualifying contributions) receives money from the fund when:

1. an independent expenditure promotes his defeat or
2. his nonparticipating opponent exceeds the limit.

To qualify to participate, a candidate must have received the following in contributions and receipts:

1. \$500,000 for governor,
2. \$75,000 for other state offices,
3. \$32,500 for state senator (25% of the spending limit), and
4. \$12,500 for state representative (25% of the spending limit).

The spending limits are:

1. \$4 million, for the combined spending of a gubernatorial and lieutenant governor candidate;
2. \$750,000 for the other state office candidates;
3. \$130,000 for candidates for the state Senate; and
4. \$50,000 for House of Representative candidates.

In-kind contributions from a party committee for coordinated campaign expenditures, such as phone banks and voter lists that are available to all party-endorsed candidates, are exempt from the spending limits.

The SEEC must adjust the spending limits for legislative candidates, based on the Consumer Price Index for urban consumers (CPI-U) on January 15, 2006 and biennially thereafter.

Participation Procedures

Under the bill, when an individual files a statement of candidacy, he must also file an affidavit stating whether he intends to abide by the spending limits. If he does, he must also include a certification agreeing to guarantee the lawful use of any funds he receives from the

state and to personally repay any amount that is improperly spent. The SEEC must prepare lists of the participating and non-participating candidates and make them available to the public.

Every candidate for the covered offices must file campaign finance statements with both the secretary and the SEEC (1) monthly, once he has received contributions totaling 75% of the spending limit, during the four months before the election and (2) weekly during the six weeks before the election. Before reaching this threshold, the candidate committee must file campaign finance statements with the secretary according to the existing schedule. Failure to file a statement makes the campaign treasurer subject to a civil penalty of up to \$1,000.

Disbursement from the Fund

The SEEC must review all campaign finance statements to determine if and when a nonparticipating candidate exceeds the limit. When that happens and such a candidate has a participating opponent, the commission informs the comptroller who must pay an amount equal to the excess to the participating candidate's campaign. The comptroller has two business days to do so. A nonparticipating candidate's subsequent excess spending results in the same award to the participating opponents following the same procedures.

A participating candidate is eligible for money from the fund when he is the target of an independent expenditure. The SEEC must, immediately upon making such a determination, authorize a payment equal to the independent expenditure and the comptroller has two business days to pay it.

Disregard of Spending Limits

A participating candidate who exceeds the limit must repay the excess amount to the fund.

CITIZENS' ELECTION PROGRAM

Eligible Candidates (§§ 10 and 16)

The bill's Citizens' Election Program covers candidates for state offices, beginning in 2006. Major or minor party candidates are eligible to participate for a primary campaign for their party's nomination.

Major, minor, and petitioning party candidates can participate in the program for the general election campaign. SEEC must prepare lists that are available to the public showing the “participating” candidates and the “nonparticipating” candidates.

A candidate who wants to participate in the Citizens’ Election Program must have received the required amount of qualifying contributions (see below). He must agree to limit his campaign spending to no more than the specified cap and comply with program requirements. When a candidate forms a campaign committee, he must file an affidavit with the SEEC indicating whether he intends to abide by the spending limits.

A qualified candidate who received money from the fund for a primary and becomes the party nominee is automatically eligible for a general election grant. The comptroller must pay it within two business days of receiving the commission’s notification that the secretary declared the results of the primary.

Qualifying Contributions (§ 11)

Candidates who want to participate in the program must qualify by raising a specified amount from individual donors, with a minimum coming from individuals who are state residents (at least 90%), in maximum amounts that vary by office (see Table 1). Every contributor must provide his name and address. The contributions to a candidate’s exploratory committee that meet the criteria for qualifying contributions are counted toward the qualifying thresholds.

Table 1: Qualifying Contributions

<i>Candidates for</i>	<i>Qualifying Total</i>	<i>Including In-State Contributions of at Least:</i>	<i>Counting Amount from Separate Contributions Up To:</i>
Governor	\$500,000	\$450,000	\$500
Other state offices	75,000	67,500	250

Spending Limits (§ 12)

Participating candidates for state offices are subject to the spending

limits shown in Table 2. A party's endorsed candidate can spend more money from the fund than a challenger who received at least 15% of the delegate support at the nominating convention. A challenger's limit is based on the percentage of any roll call vote taken on the endorsement; that is, a gubernatorial candidate receives \$450,000 for qualifying to primary and \$15,700 for each percentage point over 15%.

In-kind contributions from a party committee for coordinated campaign expenditures such as phone banks and voter lists that are provided to all party-endorsed candidates are exempt from the spending limits.

Table 2: Primary and General Election Spending Limits

<i>Candidates for</i>	<i>Primary</i>	<i>General Election</i>
<i>Governor</i>		\$4 million
Endorsed	\$1.5 million	
Non-endorsed*	500,000	
Non-endorsed, for each % over 15%	28,500	
<i>Other State Office</i>		750,000**
Endorsed	500,000	
Non-endorsed*	150,000	
Non-endorsed, for each % over 15%	10,000	

* And for a non-endorsed candidate when the convention fails to make an endorsement (such a candidate cannot spend extra for receiving additional convention delegate support).

**Excluding candidates for lieutenant governor.

The bill requires the SEEC to adjust the spending limits for inflation on January 15, 2006 and every four years thereafter. The change must be based on the CPI-U for the prior four years.

Grants from the Fund (§ 13)

Candidates who agree to limit spending are entitled to receive grants from the Citizens' Election Fund equal to the amount of the caps for the primary or general election. A particular candidate's grant is reduced by the amount he has already spent or incurred before

applying for money from the fund, except for money spent on research that has already been conducted, office equipment, or furniture. The bill prohibits the use of a grant to pay off a candidate committee's deficit. Once a candidate committee has received money from the fund, its treasurer must distribute any money on hand from other sources to the fund.

Candidates for the office of lieutenant governor can receive grants for a primary, but not for the general election when they must run together with a gubernatorial candidate whose committee may participate in the program.

Application Process (§ 14)

A qualified candidate may apply to the SEEC for campaign funds:

1. after the close of the convention for a primary;
2. after the close of the convention for an endorsed candidate who will not have to run in a primary;
3. after the close of the convention for a candidate who is the only one to qualify for a primary and there is no endorsement;
4. after a primary for the winner; or
5. after the secretary of the state approves the nominating petition for a petitioning candidate.

The SEEC must review each application and has three business days to determine the amount of funds for which the candidate is eligible and notify the comptroller and the candidate. The comptroller has two business days to issue a check for that amount to the candidate's committee.

The candidate's application must include written certification, signed by both the candidate and the campaign treasurer, that:

1. the candidate's committee has received the required qualifying contributions;
2. the committee has repaid all loans;

3. the committee has returned contributions from any donor without the person's name and address;
4. the campaign committee treasurer will comply with the program's requirements;
5. public funds for the candidate committee will be deposited in the committee's bank account as soon as they are received;
6. the treasurer will spend program funds only for items permitted under existing law; and
7. if the candidate withdraws, becomes ineligible, or dies, his committee will return unspent grants it received from the fund.

Along with the application for program funds, the committee must include a sworn cumulative itemized accounting of its receipts and expenditures (those paid and encumbered) for the period up to three days before the application date.

NONPARTICIPATING CANDIDATES (§ 20(B))

The bill requires a nonparticipating candidate to file with the SEEC a declaration of excess expenditures within 48 hours of spending any amount over the allocation that participating candidates receive from the fund when the spending occurs more than 20 days before a primary or election. When such spending occurs within the 20 days before these events, he must file with the commission within 24 hours.

REMEDY FOR AN AGGRIEVED CANDIDATE (§ 34)

The bill permits any state office candidate who claims he has been harmed by a violation of the laws establishing the public financing program to file a complaint in Superior Court.

RESTRICTIONS ON PARTICIPATING CANDIDATES

Loans (§ 18)

A candidate committee that receives funds can borrow up to \$1,000. Other than the candidate or, for a general election, a state central

committee, no person or committee can endorse or guarantee more than a \$500 loan, which is the maximum amount considered to be a qualifying contribution to the campaign of a candidate for governor. As long as the loan is outstanding, the endorsement or guarantee is considered to be a contribution and no additional contribution from the person or committee is allowed. Borrowed funds cannot be included as contributions for the purpose of reaching the qualifying threshold. Repayment of all loans and certification of repayment are required before a candidate is eligible to apply for or receive funds.

No Additional Deposits (§ 15)

After a candidate deposits program funds in his campaign account, he cannot deposit any other contribution, loan, personal funds, or other funds into it. But he can deposit money he is entitled to because he is the target of an independent expenditure or an opponent exceeds the limit.

GOVERNOR AND LIEUTENANT GOVERNOR (§ 17)

The bill requires a party's candidates for governor and lieutenant governor to be considered as running jointly for purposes of participating in the gubernatorial financing program as soon as that determination can be made. That occurs as soon as (1) the results of a primary are known, if there is a primary for either or both offices; (2) at the convention, if there is no primary; or (3) when party-endorsed candidates declare that they will campaign as a single ticket, that is they will run together in the general election so that electors can cast a single vote for both candidates. Candidates other than party-endorsed candidates can also declare that they are campaigning jointly.

Under the bill, any candidate for the office of lieutenant governor must dissolve his own candidate committee if he is running jointly with a gubernatorial candidate. As soon as the candidates' status determination is made, the treasurer of the lieutenant governor candidate's campaign committee must:

1. within 15 days, file a statement with the secretary of the state listing the committee's contributions and expenditures since the last filed report and showing the balance or deficit and
2. within 30 days, return any surplus to (a) the fund if the candidate

participated in the program or (b) those eligible to receive a surplus distribution under current law or to the fund if the candidate did not participate.

DISREGARD OF SPENDING LIMITS

Penalties (§ 19)

The bill penalizes a candidate committee that receives program money and exceeds the spending limits by:

1. requiring it to repay the full amount of the grant received,
2. prohibiting it from receiving additional program funds for the remainder of the election cycle,
3. subjecting it to civil penalties imposed by SEEC, and
4. requiring the SEEC to list the candidate as a “nonparticipating candidate.”

Failure to return any unspent grant funds within 90 days after a primary or an election constitutes larceny, subject to penalties that are dependent on the amount involved.

Opponent Exceeds Spending Limits (§ 20)

A qualified candidate who receives program funds is entitled to additional money from the fund if his opponent exceeds the spending limits (whether his opponent is receiving program funds or financing his campaign from other sources). The additional money is equal to the excess amount spent by the opponent. The extra funding must be paid immediately after the commission verifies a violation but not until the general election campaign.

Independent Expenditures (§ 21)

When SEEC receives a report that someone has made an independent expenditure in an effort to oppose a participating candidate, it must immediately notify the comptroller directing her to provide the candidate with additional money equal to the independent expenditure. She has two business days to do so.

CONTRIBUTION LIMITS

Individuals (§ 28)

The bill lowers the limits on contributions individuals can make as follows:

<i>To Candidates for</i>	<i>Current Law</i>	<i>For 2002 Campaigns</i>	<i>For 2006 Campaigns and After</i>
Governor	\$2,500	\$1,500	\$1,000
Other State Offices	1,500	1,000	750

Business PACs (§ 30)

The bill lowers the limits on business PAC contributions as follows:

<i>To Candidates for</i>	<i>Current Law</i>	<i>For 2002 Campaigns and After</i>
Governor	\$5,000	\$3,500
Other State Offices	3,000	2,000

Election Cycle Limit (§§ 28 and 30-31)

Current law applies the contribution limits to primaries and elections separately thereby allowing contributions from each contributor up to the limit for both a primary and the election. For example, the current \$2,500 limit means an individual can donate as much as \$5,000 to a gubernatorial candidate who runs in both a primary and the general election. For state office candidates, the bill imposes the limit as an aggregate for the entire election cycle for contributions from individuals and business and labor PACs.

CAMPAIGN FINANCE REPORTS

Candidate Committees (§§ 22 and 27)

The bill requires each candidate for statewide office beginning January 1, 2002 and each candidate for legislative office, beginning January 1, 2004, to file a copy of every campaign finance statement with the SEEC, in addition to the original that he files with the secretary of the

state.

In addition to the campaign finance reports that committee treasurers must file with the secretary of the state, the bill requires the treasurers of candidate committees for state offices to file more frequent sworn statements once they have received contributions equal to 75% of the general election spending limit. At that point, they must file a statement at the beginning of each month, then weekly during the last six weeks of the campaign. The statements go to the secretary and the SEEC. The committee treasurer is subject to a penalty of up to \$1,000 (imposed by the commission) for failure to file on time.

Nonparticipating Candidates (§ 20)

A nonparticipating candidate must report to the SEEC any expenditure it makes or incurs that exceeds the spending limits. The report is due within 48 hours if the spending occurs more than 20 days before the primary or election within 24 hours if it occurs 20 days or less before either event. The SEEC determines whether the spending constitutes an excess expenditure, subject to an award for a participating opponent.

Independent Expenditures (§ 29)

The bill broadens the procedures for reporting independent expenditures over \$1,000 made to promote the success or defeat of a candidate. It applies them to a committee, corporation, or any other legal entity, in addition to an individual, who is covered under current law. It requires the reports of such spending for statewide office campaigns to go to the SEEC rather than to the secretary of the state or town clerks. The person making the payment must file the report within 48 hours of doing so, rather than by the deadlines for candidate committee and PAC statements. Within 20 days of a primary or election, anyone making an independent expenditure must report it within 24 hours.

The report must include a statement (1) identifying the candidate who is the beneficiary or target of the expenditure; (2) affirming that the expenditure is truly independent; and (3) affirming that the spender is not or has not served as the candidate's treasurer, deputy treasurer, or committee chairman during the same election cycle. The person files the statement under penalty for false statement, which is a fine of up to

\$2,000, up to one year in prison, or both (the punishment for a class A misdemeanor). Anyone can file a complaint with SEEC alleging a false report or statement or that a report was not filed at all.

Electronic Filing (§§ 35 and 38)

Under current law, all PACs and party committees, as well as candidate committees for statewide offices who spend less than \$250,000 and candidates for all other offices have the option to file electronically. Those above the threshold must file electronically. The bill lowers the campaign receipt and expenditure threshold, from \$250,000 to \$100,000 for candidates for statewide offices. Beginning January 1, 2003, it adds to those who must file electronically candidates for all legislative offices who have raised or spent 75% of the spending limit (at \$90,000 for Senate candidates and \$33,750 for House candidates).

The bill requires the secretary to make all computerized campaign finance statements filed in her office available to the public at computer terminals in her office or on the Internet within two business days after she receives them.

INSUFFICIENT FUNDS (§ 24 (B) AND (C))

By January 1 of the year in which an election for state offices is to be held, the SEEC must determine whether the amount of money in the fund is sufficient to meet the expenses for making grants to candidates. If the commission decides that there is not enough money in the fund to pay for the program, it has three days to recalculate the amount of money qualified candidates can receive and notify the candidates. After the candidates receive their share of money from the fund, they can resume accepting contributions up to the amount they would have received from the fund.

The bill requires the SEEC to report on its determination that there has been a shortage permitting candidates to resume raising money.

The SEEC must set aside the first \$25,000 deposited in the fund each year in a reserve account. The reserve account must be used during the last week of the campaign for candidates who received partial payments or who are the targets of independent expenditures and entitled to matching funds.

SEEC POWERS AND DUTIES (§§ 2, 29, AND 32-33)

The SEEC must decide whether there is enough money in the Citizens' Election Fund to fund state office candidates' campaigns and must report if the amount is insufficient.

The commission must prescribe the program application form and the one used for itemized accounting, after consulting with the secretary of the state. It must receive and process candidates' applications for program funds, make the determination that a candidate is eligible, and notify the comptroller of the amount due and payable to each qualified candidate's committee. Under the bill, the commission is authorized to decide whether a nonparticipating candidate's spending exceeds the spending cap. It can deduct from the fund money to pay its program implementation costs, up to 2% of the funds contribution in a fiscal year. If the commission does not spend 2% of the funds in a year, it can use the balance to pay costs in subsequent years.

The bill extends some of SEEC's existing authority to enforce the provisions of the public financing program. With respect to the program, the SEEC can (1) investigate complaints and alleged violations and hold hearings, (2) impose civil penalties up to \$2,000, (3) issue an order to a recipient candidate committee to comply with program requirements after granting an opportunity for a hearing under the Uniform Administrative Procedure Act, (4) inspect and audit campaign records and accounts, (5) attempt to secure voluntary compliance with program requirements, (6) adopt regulations, and (7) refer evidence to the chief state's attorney or the attorney general.

It extends the designation of law enforcement agency to the SEEC for its investigations of possible criminal violation of the bill for certain purposes under the Freedom of Information Act.

The bill also gives the SEEC the authority to decide on a complaint alleging failure to file or falsehood in the statement that a person making an independent expenditure must file with the commission. It must notify a committee treasurer who has failed to file the copy of a campaign finance statement with the SEEC that he is in violation of the law if the report is not sent within 21 days of the deadline.

The bill allows the SEEC to exercise personal jurisdiction over a

nonresident who makes a campaign contribution or expenditure on behalf of a committee or candidate. It thereby authorizes the commission to require the person to appear in person or to present documents. It allows service of process on the secretary of the state for a nonresident.

REPORTS (§ 24 (A))

Beginning by June 1, 2001, the SEEC must annually report on the status of the fund for the previous calendar year. The report must include an accounting of the deposits, fund sources, number of contributions and contributors, expenditures, fund recipients, and administrative costs. The revenue services commissioner must provide the SEEC the information it needs by May 15 each year, beginning in 2001.

BAN ON STATE CONTRACTORS' CONTRIBUTIONS (§ 36)

The bill prohibits certain candidates from soliciting, and individuals and PACs from making, campaign contributions if the contributing individual or PAC is connected with a business that has a contract with the state valued at \$250,000 or more during the term of the contract. In addition, an individual or business PAC that makes a contribution to statewide office candidates is barred from getting a contract award for one year after the election for which the contribution was made.

The prohibition applies to contributions from any individual who (1) is an officer, director, owner, partner, or stockholder (with at least 5% of the total outstanding stock) of a business with a large state contract and (2) has substantial authority related to the contract. It also applies to the business' PAC contributions.

Candidates for governor and lieutenant governor cannot accept or solicit such contributions on behalf of a candidate for any public office, any PAC, or political party committee.

The bill prohibits candidates for the offices of attorney general, comptroller, and secretary of the state from accepting or soliciting such contributions for any candidate, PAC, or party committee from an individual or PAC associated with a business that has a large contract with the office for which the candidate is running. No such individual or business can contribute to a candidate for the office with which he

or it has a contract during its term. Anyone or any business PAC that makes a contribution to a candidate for a particular office is barred from getting a contract with the office for one year after the election. These provisions apply to candidates for the office of state treasurer, in addition to the law's restrictions on contributions from individuals and businesses providing investment services to that office.

The bill applies the same restrictions to candidates for state senator and state representative with respect to individuals and businesses that have contracts with the General Assembly with a value of at least \$250,000.

BLUE RIBBON COMMISSION (§ 37)

The bill establishes an eight-member Blue Ribbon Commission to study the state's political party nominating process and make recommendations about it in the context of the voluntary spending limits program and the Citizens' Election Program. The commission is in the Office of the Secretary of the State for administrative purposes only.

By May 30, 2000, each of the four legislative leaders must appoint two commission members (who may be legislators). The House speaker and Senate president name the chairs from among the commission members.

The chairs must schedule the first meeting which must be held before June 30. By January 1, 2001, the commission must issue a report on its findings and recommendations, at which time, it terminates.

BACKGROUND

Legislative History

On March 1, the House referred the bill (File 2) to the Judiciary Committee. On March 3, that committee reported the bill favorably to the Appropriations Committee, which reported the bill to the Finance, Revenue and Bonding Committee, on March 16. On March 23, Finance reported the bill favorably.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 8

Judiciary Committee

Joint Favorable Change of Reference

Yea 23 Nay 15

Appropriations Committee

Joint Favorable Change of Reference

Yea 25 Nay 17

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 27 Nay 19